Industrial Situation and Outlook—Pages 17 to 48

THE FINANCIAL POST

The Canadian Newspaper for Investors

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NEGOTIATIONS ARE ON FOR MERGER OF THREE BIG STEEL COMPANIES; CANADA STEAMSHIPS INVOLVED

Lord Beaverbrook Given Credit for Being Behind the Big Deal

PROTECT COAL AREAS

Amalgamation Would Settle the Dispute Between Scotia and Dominion—Story of Negotiations

By Resident Representative.

MONTREAL.—THE FINANCIAL POST learns that negotiations are being conducted for the consummation of by far the biggest merger ever attempted in Canada, and that these may be concluded in the next few weeks, well before the end of the year. This merger contemplates the consolidation of the following companies:

Dominion Steel Corporation, Nova Scotia Steel & Coal Co., Steel Company of Canada, and Canada Steamship Lines.

As they stand to-day the funded indebtedness and capital stock of these four companies exceed $150,000,000, and the total assets run close to $215,000,000. The merger would mean a gigantic concern for Canada, second only in proportions to the Canadian Pacific Railway Company with its billion dollars of assets.

The Hand of Beaverbrook

Some months ago, following the departure of Lord Beaverbrook, it was intimated in these columns that the father of big Canadian mergers was interested in a proposal to bring together the three steel companies. The article in question was scoffed at in many quarters: to-day we reiterate it, and add the Canada Steamship Lines as a more recent development.

The connecting links between Lord Beaverbrook and the four Canadian concerns are, it is believed, Col. Grant Morden, M.P., who is a political, and to some extent a business associate of the former Canadian financier; Roy Wolvin, formerly a director of Canada Steamship Lines, and intimately associated with J. W. Norcross in various shipbuilding enterprises at Collingwood, Kingston, Halifax (Halifax Shipyards), etc., and also lately appointed a member of the Board of Dominion Steel Corporation. Sir Henry Pellatt is mentioned as a representative—at large, including the Dominion Steel interests of which he is a director. Then for Scotia, W. D. Ross, a close friend of Lord Beaverbrook, and D. H. McDougall, president of Scotia, and late general manager of Dominion Steel.

The interests of the Steel Co. of Canada are well looked after by Lord Beaverbrook himself, for he was one of those chiefly interested in the organization of that company. The Vickers interests, as a shipbuilding concern, one of the foremost in the world, may be connected with the new plans through the British Board of Canada Steamship Lines.

The Story of the Merger

The story as told this week to THE FINANCIAL POST runs somewhat as follows:

Some seven or eight years ago after the Steel Company of Canada was organized out of five separate concerns in Hamilton, Montreal, Lachine, Brantford, and other places, through Sir Max Aitken, an effort was made by him gradually to reduce his holdings, up to 1914, but while buying was brisk, there was a large portion of the stock that found its way back gradually. The reason, it would seem, why the merger did not draw a permanent larger following was, it is said, because of the company's lack of the raw materials, such as the iron ore and coal that were required. Moreover, as time went on, the Dominion Steel Corporation loomed up as a possible competitor in many of the lines of the Steel Company, wire rods, bolts, nuts, nails, wire, etc., a dangerous competition with the raw materials right to hand. Of late, it is said, the necessity for uniting the two became clearer to the big Canadian financier in London, in spite of the large pro-

Particulars of the Companies

Dominion Steel Corporation	
Funded and mortgage debt..	$20,830,097
Preference shares	7,000,000
Preferred stocks	8,000,000
Common stock	32,097,700
	$67,927,797
Nova Scotia Steel & Coal	
Bonded and debenture debt..	$11,169,619
Common stock	15,000,000
Cumulative pref.	1,000,000
Cum. pref. stock (East. Car Co.)	750,000
	$27,919,619
Steel Company of Canada	
6% first mortgage bonds....	$ 7,801,246
Bonds of Mont. Roll. Mills..	600,000
Conv. from notes	150,000
Preferred stock	6,426,300
Common stock	11,500,000
	$26,477,546
Canada Steamship Lines	
First mortgage bonds	$ 757,020
6% deb. stock	5,927,180
Pref. stock	12,500,000
Common stock	12,000,000
	$31,184,206
Funded and Capital Issues	
Dominion Steel	$67,927,797
Nova Scotia	27,919,619
Steel Co. of Canada.........	26,477,546
Can. Steamship Lines	31,184,206
	$153,509,168
Assets	
Dominion Steel	$95,910,612
Nova Scotia	35,288,917
Steel Co. of Canada.........	45,652,931
Can. Steamship Lines	35,919,677
	$215,772,037

fits the company was able to roll up during the war.

"Iron" and Scotia

The union of "Iron" and Scotia has loomed up for years now, and it is believed that the Nova Scotia Government, as long as a year ago, had come to the conclusion that the two must be forced to come together: that in no other way could the network of coal areas of each, side by side, paralleling and crossing, be disentangled. Hence the legislation of the past spring which gave the Provincial Government a whip hand over "Iron," for no pressure, it would appear, was required to induce Scotia to enter such a combination. During the earlier negotiations, objection, it is understood, was raised at Ottawa (this was while the war was still on) to any settlement of the differences between the neighbor-rivals that would permit control of the great coal and iron ore fields to pass into the hands of United States interests, that then, as now, controlled Scotia.

Continued on page 5.

SIR ADAM GETTING GUELPH INTO LINE

Hope of Getting Rid of Local "White Elephant" is to Link Up With the Hydro

GUELPH.—The report of the Hydro-Electric Commission on the Guelph Radial Railway situation which was received early in the week has some attractive features, but it is quite obviously designed to make Guelph line up with the Hydro Radial's programme in order to shift the burden of the local white elephant. That this burden may later be borne by the people of the province as a whole or by the organized municipalities is not likely to worry the local ratepayers who are naturally more interested in their civic tax bills than in the larger question of public finance.

The report stated that it would require $150,000 to put the road in running order. Three methods of improving the service were outlined, but in each case the loss estimated at $5,000 to $7,000 per year. Further it was estimated that if the city ran the line separately the loss would be $6,000 to $17,000 per year.

Sir Adam Beck argued that the proposition could be made to pay if it were operated in conjunction with the proposed system from Hamilton to Galt and Kitchener, and he was assured by his engineers that such a system could be made to pay, even if they had to parallel the G. T. tracks, which he did not think they would have to do.

PAPER MERGER PLANS

Preferred Stock Will be Replaced at Higher Rate

By Resident Representative.

MONTREAL.—Plans for financing the merger of the Howard Smith Pulp and Paper Company and the Toronto Paper Comany, will include the calling in of the present isue of $475,000 preferred stock paying 7 per cent. and giving in return the new issue paying 8 per cent.

VICTORY LOAN NOT FOR FOREIGN CREDITS

Some Figures to Show What Portions of Original $100,000,000 Have Been Used

By Resident Representative.

OTTAWA.—It is not expected that any of the present Victory Loan will be used for the providing of further trade credits for Canada. Of the hundred millions granted originally, the following apportionment was made: Greece, 25 millions; Belgium, 25 millions; France, 25 millions; Roumania, 25 millions. Of those sums the following amounts have been utilized approximately up to the present: Roumania, 20 millions; Greece, 8 millions; Belgium, 3 millions; France, little or nothing used. In the case of Roumania and Greece, it has been utilized largely for manufactured goods, and in the case of Belgium, for food.

Negotiations are now proceeding for the supply of about 10 million dollars' worth of foodstuffs for both France and Belgium. Owing to the unfavorable rate of exchange prevailing, those countries have been averse from buying manufactures abroad, and there is not likely to be much supplied them from Canada until they themselves begin exporting again and stabilize the exchange.

All the above credits expire automatically at the end of this year, and whatever unexpended balance there is must be renewed, if it is deemed advisable. The policy of the Government is not in the direction of extending any further credits.—T.M.F.

U.S. MAY OPPOSE GRAND TRUNK DEAL

Washington Digs Up Some Interesting Legal Points to Consider

WASHINGTON.—The prospect of acquisition of the Grand Trunk Railway System by the Canadian Government under the bill now pending in the Dominion Parliament does not come without attention to the matter in official quarters in Washington.

One of the first difficulties which may arise under the ownership of Canada is that Canadian interests will oppose the development of Portland and Chicago as terminals to the disadvantage of Dominion ports. This would inevitably lead to a controversy with this country which would oppose the drying up of the facilities already in existence.

The question of the ownership of a right of way through the United States by a foreign government would also raise a delicate point. Refusal of the British Government to permit such control is a policy of long standing, and was emphasized some time ago when Great Britain refused to allow the construction by American interests of a cable line between points of the British Empire.

There is believed to be no precedent which would indicate the policy of the State Department in this case. The United States itself, it was stated to-day has no such holdings in foreign countries. The situation in Panama has special features, du to the peculiar relations of that country with the United States, which would not apply in a controversy with Canada.

Congress has always been jealous of foreign control of any corporations, especially involving means of communication, in this country, and special legislation has been enacted in recent years against the ownership of the majority stock of domestic corporations by alien interests.

These laws may be held applicable to the Grand Trunk case, and it is not considered improbable that opposition would be aroused against retention of control of the 1,500 miles of track by the Canadian Government.

RE COMPLAINTS ABOUT BANK SERVICE

A number of complaints having been made to THE FINANCIAL POST that customers had not received full benefit for exchange premiums on American remittances, a thorough inquiry has been conducted and statements received from the head offices of practically all the Canadian banks as well as from a number of branch managers. These have been discussed in the department conducted for bank managers and their interests on page 9.

The results of the inquiry indicate that such cases are very exceptional, and are due to an error or misconception of duty on the part of the manager—the insinuation that the latter may be taking something for himself is emphatically refuted. Bank men are unanimous in asking for particulars. THE FINANCIAL POST, therefore, would welcome from any reader any definite complaint regarding the local service of the Canadian banks in this or any other particular, promising to have inquiries made. Names need not be made public, but all particulars must be given.

Canada has a banking system which probably has no superior either as to stability or service. But in these times there is a trend of public opinion against big financial and other corporations. Vague and indefinite grumblings feed this unpopularity. If complaints can be definitely met and disposed of, much can be done to improve the relations between the public and the banks. The public must be served and public service must be improved when and where it can be.

Conflicting Interests Must Come Together for Prosperity

THE Annual Industrial Number of THE FINANCIAL POST for 1919 finds manufacturing Canada laboring under difficulties which only lose some degree of their complexity and gravity by comparison with other industrial nations. The present has problems which require the courage of the members of the Government and other leaders of public opinion in their solution, and the future is clouded in uncertainty. The desire on the part of the people thus far seems to have been to postpone rather than face the necessary readjustment from a period of war-time inflation. The increased production which was to be expected with the return of the military forces to their normal positions in life has been offset by shorter working hours and a general disposition to take things easy following the strenuous period of the war. At the same time higher wages are demanded, and these, with the accumulation of war-time savings, have resulted in a purchasing power which for the time being is having the inevitable result of raising prices for the available goods and commodities.

In Canada confidence in the present and the future finds solid foundation in the fact that we are to a great extent an agricultural country, and that our important industries are those which draw upon our great resources of raw materials. The world must have foodstuffs and other products which Canada can supply to advantage in competition with other countries. With a market waiting, our problem becomes largely an internal one—in one word, PRODUCTION.

National prosperity demands that we go to work—and work together. National thrift is also important in order that we may be able to save from our income as people sufficient to successfully carry the burden which the war has placed upon us. But of the two, production is even more important than conservation. We can afford to spend if we earn, but we can only earn by producing and production means work.

The necessity for working together is emphasized in a broad way. It means that the different factions—political and social—which are now pulling against each other much recognize the broad principles of cooperation which have been responsible for modern civilization. Cooperation means a sinking of differences for the common good. Capital and Labor must get down to a business-like discussion of their differences. Strikes are economic tragedies which in the last analysis undermine the prosperity of the great majority. High and low tariff elements must come to some understanding upon which business and industry can for a time, at least, establish a working program. The manufacturers must be prepared to carry their case with the farmers and the workers. Commenting upon the tariff situation, the Ottawa representative of THE FINANCIAL POST writes:—

This is the cloud on the horizon of our trade prospects. I do not undertake to advocate one side or the other, but it is obvious that two policies, two sets of arguments, so extreme as those of the Canadian Manufacturers' Association on the one hand, and the farmers' organizations on the other must, if either one is adopted, mean the injury of the other. The present trend of electoral opinion, if continued, will shortly result in the balance of power, if not the control, of government in Canada being placed in the hands of the farmers' organizations. If that should happen, and if they should undertake to put their declared platform into operation, the chances are that it would result in a very great disorganization of and injury to trade for some years to come, whatever might be its ultimate effect.

There must be a middle ground between the two schools of thought represented by those parties, but no apparent effort is being made to find it. A tariff investigation was promised by Sir Thomas White as acting Premier last spring, and nothing has been since heard of it. It should be undertaken, and probably will be, so that some definite information should be available for Parliament when it meets again in February, and when it is, the Government should arrange that the representatives of the two extremes of opinion should meet, together with representatives of opinion less extreme than either, and see if some basis of agreement could not be reached which would mean not the triumph or defeat of either attitude but the triumph of common sense. This is one of the most necessary obstacles to be cleared out of the way, if we are to deliver the goods.

The Labor Situation

At the moment Washington is the centre of interest in the labor crisis. The eight-hour day is the main bone of contention. The principle of the eight-hour day is recognized in many industries—in others it is too long and in still others it is too short. So long as there can be no equalizing of production within a certain period there can be no intelligent legislation to standardize hours. The coal miner or the steel roller is entitled to a reasonable wage for a shorter period of labor than the worker in a pleasant, well-lighted factory. To put them on the basis of the same hours for what in some labor circles is called a "living wage" is a paradox which trades unionism has failed to justify.

The importance of the problems being considered at the Washington conference is emphasized by the situation in the steel and coal industries in the United States. Although Canada is not directly involved in these disputes, the manufacturers of this country are much concerned. As regards both steel products and coal important supplies are received from American sources. Further wage standards in Canada are affected by those in the States and any spread of industrial strife is almost certain to involve Canadian workers.

The relations of Capital and Labor, of employer and employee, are made the particular topic for discussion in the leading articles of this Industrial Number. Contributions on this and other questions of interest to the manufacturer in this period of readjustment have been secured from men of authority in their particular fields. A summary of the various feature articles will be found on page 17.

MARKET IS UPSET BY THE NEW YORK RATES ON MONEY

Rapid See-Saw Movements in Which Public Does Not Benefit

THE LOAN CAMPAIGN

Big Subscriptions Make a Good Showing, But Small Subscribers Show Less Enthusiasm Than Last Year

Following a period of continued strength with some advances in the fore part of the week, there has ensued an unsettled state in the Canadian markets, which is evidently in sympathy with the New York situation. Thursday's rapid changing of money rates with a decline at the close and another advance on Friday had the effect of staggering the investment public and checking the bull movement. There is more than a suspicion that powerful market interests are having a hand in this see-sawing of the money rate. As usual the public stands to suffer. For this reason it would seem to be a time for the average investor to exercise especial care; prices have attained a level where a realizing movement or withdrawal of public support might mean a heavy slump.

The attention given to Canadians markets is more than might have been expected during the loan campaign. The bond market is, of course, closed, so far as any selling effort is concerned. The progress of the campaign is very satisfactory in relation to the objective, although the showing is now behind last year in spite of the numerous large subscriptions being received. As was feared, although to be expected, there has not been the same support given from individuals of small means as during the war. Up to noon of Friday subscriptions for the whole Dominion had been reported totalling $260,265,992. At the same period last year the total was $266,777,300.

Totals received up to noon yesterday by W. S. Hodgens, chairman of the Dominion Business Committee, were as follows:

British Columbia	$12,440,842
Alberta	6,022,650
Saskatchewan	4,970,550
Manitoba	14,793,800
Ontario	148,218,850
Montreal	52,634,400
Quebec	8,872,550
New Brunswick	4,110,750
Nova Scotia	7,765,500
Pr. Edward Island	536,100
Total	$260,365,992

THE POST

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ADVANCES, &c. do.	61,466,709

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Total Assets, over	220,000,000

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EUROPE NEEDS CANADA'S GOODS AT PRESENT TIME

Government Has Not Set a Good Example in Export Trade

EXPORT COMPANIES

Many Have Been Formed and Can Give Advice as to Methods of Shipping and Packing, Etc.

By WALTER B. RAMSAY,
President A. Ramsay & Son, Company, and Chairman of the Export Board of the Canadian Paint, Oil and Varnish Association.

Canada to-day has a trade and commercial duty to perform in supplying Britain and Europe with goods just as she had for more than four years a military duty in aiding the Mother Country and her Allies in meeting the Teuton menace. We have vast natural resources which can be manufactured to meet foreign as well as domestic needs at prices which will mean prosperity for all our people.

In exporting, the Government of Canada has set us a good example by establishing large credits in Canada for Roumania, Greece, Belgium, Italy and France, against which large quantities of merchandise and food have already been purchased, and when these credits are exhausted, and if our products have given satisfaction, we should be able to carry on, as nearly all Canadian banks are very keen to help by giving credit to shippers covered by negotiable securities.

Getting After Orders

The countries of Europe and also the colonies are greatly in need of Canada's products at the present time, and these orders can only be secured by personal representation or through some resident agent. Advantage should be taken of these conditions before some other country steps in and gets the "cream." The shipping situation which has been unsatisfactory up to the present time is rapidly improving. There are direct steamers sailing to South Africa, Australia, New Zealand, West Indies, South America, France, Italy and Greece, and many other countries from Canadian ports, and all these shipping companies are anxious for business. Canada has trade commissioners in all these countries who will be only too glad to assist you or give you what information they possess.

A great many export companies have been organized in Canada and they in turn can advise you as to the method of packing, shipping, etc. Also information regarding the importing of goods you require for manufacture, which are unobtainable in Canada, can be secured through the same channels, and possibly a large reciprocal trade can be developed between Canada and the countries which should prove to be of great mutual advantage.

To Carry Out Debt

It is absolutely necessary that Canada should exert every effort to develop her industries and export and also to make this country so attractive that it will draw a large number of immigrants of the right class to our shores. The reason is obvious as Canada's debt is heavy, now amounting to $1,750,000,000, caused chiefly by the war, and the only way to successfully carry on and liquidate this debt is by having a greater population and greater production.

WOOD SHOWED METTLE

Something About Bomb Plot That Did Not Eventuate

NEW YORK.—Financial interests are watching the political situation sharply to see what influences of law and order will get up for leadership. The names of General Wood and Governor Lowden of Illinois are both spoken of as possible Presidential candidates on the Republican side and nobody seems to be paying any attention to the Democratic side.

The Wood Presidential boom had rather abated until the rioting began at Gary, Indiana. Then, it is said, the politicians in the present Administration advised it would be a good thing to kill General Leonard Wood politically by putting him into the Gary situation. But General Wood handled that situation so effectively in the interests of law and order that his Presidential prospects again jumped to the front.

Wood proved himself not only a general, but a diplomat and a skillful tactician. He did not smash up things by brute force. He worked his intelligence department to the limit and when he knew where all the dynamite was stored, he did not arrest the ringleaders or the mob leaders. He just sent for them, convinced them that he knew what they had done and who was responsible and he did not even order the dynamite removed. He just gave direct personal notice to the responsible leaders of who would be shot dead on the spot the moment the dynamite or the bombs began their work. They never began.

MONTGOMERY WARD

Sales Have Increased More Than $25,000,000 in Four Years

NEW YORK—Montgomery Ward & Co., which is to be controlled by Geo. J. Whelan on behalf of the United Retail Stores Corporation, has shown a steady gain in the volume of sales in recent years. For the year ended December 31, 1918, sales aggregated $76,166,848 as compared with $73,512,645 in the preceding year; $62,044,336 in 1916 and $49,308,587 in 1916, showing a gain in the four-year period of $26,858,261.

PULVERIZING COAL OTHERWISE USELESS

Canada's Peculiar Fuels Could Be Utilized With Success

It has been pointed out by engineers many times that Canada will never be able to utilize economically her vast resources of fuel until our present apparatus for burning fuel has been improved to meet the peculiar burning qualities of Canadian coal, which is not as adaptable to the boilers and locomotives now in use as the coal that is imported from the United States.

Canada possesses immense coal reserves. Unfortunately, much of it is unsuitable for locomotive purposes owing to its tendency to spark, also, owing to its high moisture content, it rapidly disintegrates on exposure to the atmosphere. Again, at the mines, both below and above ground, in mining the coal and in handling it, a vast amount of slack is created, which, up to the present, has been considered as waste.

A process for utilizing this slack coal, as well as run-of-mine coal, has for some time been under development By this method the coal is pulverized until approximately 85 per cent. will pass through a 200-mesh screen and 95 per cent. through a 100-mesh screen. After the coal has been pulverized, it is fed from the bins by screw conveyors and blown into the furnace.

Good results have been secured by cement plants, by the metallurgical industries, and on locomotives. In the heating of large buildings the use of pulverized coal has proved an economical fuel.

The Commission of Conservation, Ottawa, has issued a report on "Pulverized Fuel; its Use and Possibilities," by W. J. Dick, M. Sc., which explains in detail the use of pulverized coal and its advantages.

PRINCE HAD MESSAGE FOR BUSINESS HEADS

"Canada Cannot Afford to be One-Sided," He Tells Them

It was a notable occurrence that the largest meeting addressed by the Prince of Wales during his three months' tour of Canada, and the last public meeting of any importance to be addressed by him before his departure for Washington, was a gathering of business men—leaders in the financial, commercial, industrial, and legal life of Canada. It is no small task for a young man of twenty-five to get up and address a body of men including the head of one of the largest insurance companies, bank presidents, high executives of great industrial corporations and leading barristers, but that is what the Prince did on Tuesday, when he addressed a combined meeting of the Canadian and Empire Clubs in Toronto. His Royal Highness had a message to give, too. Pleading for a fuller development of Canada's resources through the industries of the country he said: "Canada cannot afford to be a one-sided nation. It takes many interests to make a nation."

But while admiring Canadian industries, the Prince did not speak lightly of the agricultural interests of the country, although he insinuated that the "farmers in Western Canada think they're a mighty important bunch of people," adding:

"I have bought a ranch in the West and expect to start farming in a small way soon. However, unlike your Western farmers, and your Ontario farmers I intend to be a simple farmer. I will not enter into politics or upset any of your theories."

This sally was received with enthusiasm by the audience, and brought a broad smile to the usually stern visage of Ontario's farmer premier-elect, E. C. Drury, who was on the platform.

It would require too much space to begin to mention all the financial and business men present, but a few of them were:

Sir Edmund Walker, president of the Canadian Bank of Commerce; E. R. Wood, Dominion chairman, Victoria Loan; G. H. Wood, Ontario chairman; H. C. Cox, president, Canada Life; E. M. Saunders, treasurer, Canada Life; J. E. Featherstonhaugh, Sir Henry Pellatt Castell Hopkins, Sir John Hendrie, Jo. Oliver, Sir John Willison, T. A. Russell, president Russell Motor; Sir William Hearst.

EXPORT MILLERS GIVEN THIRD BIG ORDER FOR FLOUR

One Estimate Places it As High as 500,000 Barrels

MILLERS WON'T BUY

Farmers in Western Ontario Want Government to Take Over Their Crops—Result Of Price Fixing

The mills doing an export business have received further orders from the Canadian Wheat Board. This will assure business for another period. As the mills have grown accustomed to seeing only a few weeks ahead, they are not inclined to quarrel with the system. The present order is for delivery up to December 15, and the price is $10.65 for spring wheat flour in jute bags, delivered at the seaboard.

It is not known as yet what is the exact extent of the order. There is a report that the order was for 500,000 bbls., but the orders placed with some of the larger mills do not suggest this figure. This is the third order received from the Canadian Wheat Board, the previous orders totalling 1,200,000 barrels. It is probable that the third order falls well below the 500,000 barrel figure. The order is spring wheat flour exclusively, as there has been much difficulty of late from smut in winter wheat.

When the question of setting a price on wheat was raised some time ago the point was made that setting a price practically made the Government a buyer, as in the event of the millers refusing to buy, some Governmental agency would have to step in.

Developments at Ottawa

In the House on Tuesday Mr. Archie McCoig raised this very point. He informed the Government that the millers in Western Ontario were refusing to accept the farmers' wheat at Chatham, and he was anxious to know what action the Government proposed to take to help the farmers in disposing of their crops. In view of the fact that the Government had regulated the price and the millers were now refusing to buy, he said he thought the Government should take some action.

Interviewed on the matter, Mr. McCoig said he had brought the question up because there was much discontent regarding it, and it was felt that unless the farmers could readily dispose of their wheat at this time it was going to seriously interfere with the sale of the Victory Bonds.

Sir George Foster states the position thus: He says the millers are entirely their own judges as to the amount of wheat they shall buy or at what time they shall buy it. The duty of the Canadian Wheat Board is confined simply to fixing the prices which shall be paid for the wheat. He points out that the regulations of the wheat board and the powers granted to it provide simply for the purchase, delivery of, and payment for wheat. He expressed the opinion that there should be licensed buyers in Chatham prepared to buy and forward wheat, and if not, Mr. Watts, of Toronto, the member of the board for Ontario, could be consulted.

Wheat Board Regulations

The regulations of the Wheat Board on the matter do not seem to be generally known; and as they are of importance to all concerned in the wheat and flour trade, they are given here, as quoted by Sir George Foster to Mr. McCoig. The general rules governing trading in wheat provide that all wheat purchased by any licensee of the board shall on demand be delivered to the board. Every producer selling and delivering wheat to any licensee of the board shall be entitled to receive participation certificates for the number of bushels sold and the cash payments for the wheat sold and delivered.

All wheat purchased by a licensee of the board must be forwarded to a terminal elevator (in the case of Ontario and Quebec, to Montreal). When wheat so purchased arrives in store there the board shall purchase or provide a purchaser for the same, paying the cash according to grade.

RAILWAY AT LE PAS

Ottawa Repudiates Statement of Premier Norris

Conflicting reports come from Ottawa and from Winnipeg concerning the possibility of a railway line being built by the Dominion Government from Le Pas to the gold belt about 75 miles north. On September 30, after having interviewed Hon. Arthur Meighen, Minister of the Interior; Hon. J. D. Reid, Minister of Railways; and Hon. J. A. Calder, Minister of Immigration, regarding the erection of a railway to the gold fields of Manitoba, Premier T. C. Norris announced that surveying for a railway line will start this fall.

In the House of Commons, both the Hon. Mr. Reid and the Hon. Mr. Calder denied that they had made any such promise.

That there will be a railway into the new mineral area seems certain, despite the conflicting statements, for the Manitoba Provincial Government announced some time ago that if the Federal Government refused to take action they would build the line themselves.

Another record is broken in received business of the North American Life Assurance Company, Toronto, Canada, for October, 1919. Over $2,000,000 of business was received, which is an increase of 52 per cent. over October, 1918.

THE GENERAL CATCH GOOD FOR CANNERIES

Cohoes, Chums and Other Varieties Make Up For Shortage in Sockeyes

By Special Representative.

VANCOUVER.—Although the run of sockeye salmon has been very disappointing on the coast this year, many of the companies have had a very successful year due to the large number of cohoes, chums and other varieties of salmon which have been caught and canned. The canneries on the west coast of Vancouver Island have been unusually busy during the past few weeks, according to a statement of Mr. Peter Wallace of the Wallace Fisheries, who has just returned from a trip to the Island.

Col. Cunningham, Dominion Inspector of Fisheries for the coast, has been investigating conditions at Barclay Sound and Clayoquot, also on the west coast, where he reports the run of salmon has been good. In view of the fact that large quantities of salmon are waiting to proceed to the spawning grounds, the areas adjacent to these districts should be well seeded next year. The inspector explained the action of the Dominion officials in closing the season earlier this year was due to the lack of rainfall, the rivers being so low that the fish could not reach their usual fall haunts. The fish are consequently hovering around the mouths of the rivers and creeks awaiting higher water. Col. Cunningham says that the catch per boat on the west coast will not be as large as in former years owing to the fact that a greater number of boats is operating. In addition many of the fishermen had no previous experience on the west coast, which is one of the hardest places in which to fish, as it is open to the sea.

GOODYEAR SECOND LARGEST RUBBER CO.

The Authorized Capital is to be Increased to Two Hundred Million Dollars

NEW YORK—Goodyear Tire & Rubber Co.'s financing plan which calls for the authorization of a new issue of $100,000,000 7% cumulative preferred stock, $40,000,000 of which is to be sold immediately to take care of the retirement of the present outstanding $23,783,800 first preferred and $14,825,200 second preferred issues, will make Goodyear in point of capitalization the second largest rubber company in the United States. The present authorized common stock capitalization of $100,000,000 with the new issue of $100,000,000 preferred will give the company a total authorized capitalization of $200,000,000, which compares with $300,000,000 total authorized capitalization of the United States Rubber Co. When its financing plan is completed, Goodyear will have outstanding $20,731,100 common stock and $40,000,000 preferred shares.

President F. A. Seiberling declares that 1920 promises to be the largest year in both volume of business and profits in the history of the company. It is estimated that gross sales for the current year will exceed $165,000,000. This compares with $131,247,382 for 1918. Net earnings for the full year, 1919, are estimated at $20,000,000 before allowance for federal taxes. Last year net earnings before federal taxes were $15,388,190.

In the last twelve years Goodyear has earned total net income of $73,476,879, from which it has paid $20,540,178 in cash dividends. The balance of over $52,000,000 has been put back into the company.

The remarkable manner in which Goodyear Tire & Rubber Co. has built up its business since the armistice was signed is revealed in the fact that, due to Government restrictions, the low point in production for 1918 was reached in November. At that time there were about 14,000 men employed and they were turning out about 11,000 tires a day. Volume of business was then running in the neighborhood of $8,000,000 a month. At present the company employs about 26,000 men at its Akron plants, making more than 30,000 tires a day and gross business for October will approximate $20,000,000.

PUBLIC WOULDN'T MIND PAYING BIT MORE FOR BREAD

Mr. O'Connor Would Lower Pork Prices by Increasing Bread

PACKERS' SIDE HEARD

If Export Prices Are Higher Than Prices Set For Canada, Domestic Trade Will Suffer

By J. L. RUTLEDGE,
Editor "Canadian Grocer."

After two sessions held between representatives of the packers, and the Board of Commerce in Ottawa on Wednesday of this week, there was a decided tendency on the part of the board to feel that the order setting prices on a basis of March 10 last, was not one likely to benefit the public in the long run. S. E. Todd, secretary of the Industrial Development Association of Canadian Packers, was requested to stay over and further discuss the matter on Thursday. There is a general feeling among the packers that the order will be rescinded, or, in any event, modified so that it may not have the serious effects that are bound to result from it in its present form.

J. S. McLean, of the Harris Abattoir Company, Toronto, in the conference with the Board of Commerce, urged the absolute impossibility of having a double standard of prices for domestic and export business. Domestic prices, he stated, must be set by the export demand or there would be a gradual elimination of Canadian business. The packer who was dependent on domestic business and could not recoup his losses from export business would very rapidly be forced out of business. He must buy on a market for raw products set by the export demand, and sell on an arbitrary fixed figure probably below that amount.

Mr. O'Connor could not see that there was any reason why there could not be a domestic and export price; he urged that the domestic price need not necessarily be lower than the export price, or vice versa.

Where Theory is Wrong

This contention may be true in theory, but on an export market governed by world conditions there must of necessity be sharp fluctuations, while a domestic price arbitrarily set on the basis of a given date would have no such mobility, and the price must vary from the export price. Unquestionably, as against a losing domestic market and a more or less profitable export field there would be little doubt that the domestic field would be at a disadvantage.

E. C. Fox of the William Davies Company cited the case of barrel pork, which at the present time was in keen demand, whereas on March 10 the demand was naturally at its lowest ebb. He also urged the necessity of considering the product as a whole. The present order, he contended, left a wide avenue for loss, but practically precluded the chance of profit.

O'Connor and the Public

Taking the statement that the high cost of hogs was in a measure at least due to the high cost of feeds, Mr. O'Connor introduced an interesting point. "Suppose," he suggested, "we added $1.20 per annum to the cost of bread, that would permit a lower price for bran and shorts and consequently a lower price for hogs." Mr. O'Connor explained that the per capita consumption of bread was 240 loaves of 1½ lbs.

"What would the public say to that increase?" he was asked.

"They would never feel it," he stated.

O. W. Waller of the Swift Canadian Company, taking Mr. O'Connor's statement that the public would not notice an advance of $1.20 on bread in a year, made a telling point. The per capita consumption of packing house products in Canada was 200 pounds a year, he stated, on which the packer made half a cent a pound, or a total cost to the consumer of $1.00 per year. If the consumer would not feel the $1.20, there was no reason why they should feel the expenditure of $1.00. The Board of Commerce were evidently impressed with the strength of the arguments raised, and the evident willingness of the packers to assist in any way possible toward lowering prices, and agreed to discuss the matter still further with a representative of the packers and to try to arrive at some agreement that would be of assistance to both packer and public.

MUST OBSERVE LAW

U. S. Government Takes Firm Stand On Strike Issue

WASHINGTON.—The Government stands ready to do all in its power to bring about a settlement of the controversy between the miners and the operators, declared Attorney-General Palmer this afternoon, but in the meantime the law must be enforced, and combinations to stop production cannot be tolerated.

The Attorney-General's statement was made in response to a telegram received by President Wilson from the United Mine Workers of America Union No. 3,768, at Glencoe, Ohio, protesting against the Administration's attitude. The Attorney-General's telegram was in line with the policy announced at the White House to-day that the strike, "a combination to stop production," must be called off before the Government will act.

WALL ST. AND CANDY

Field of Investment Trading Is Growing Steadily Broader

NEW YORK.—Well street, which formerly knew only rails and municipals as investments, has been receiving broad education in American industrials beginning with U. S. Steel nearly 20 years ago. It must now receive an education not only in beet and Cuban sugars, but in the retail candy business and be able in time to discriminate between glucose candies and Cuban cane sugar candies. know what concerns make milk chocolate from well-ground cocoa beans and fresh milk and what concerns try to get by selling as milk chocolate coarse cocoa ground up with condensed milk or milk powder.

Wall Street is also likely some time in the future to figure prospective candy profits when almonds begin their backward march from 85c to 90c a pound toward the former price of 28c, walnuts from 85c toward the former price of 22c and pecans recede from $1.50 a pound toward their former mark of 28c. Wall Street may also understand what candy colors at $16 a pound mean as compared with a former price of 60c

IMPERIAL OIL SPENDS MILLIONS AT HALIFAX

Construction at Big Plant Goes Steadily On—A Factor in European Trade

By Resident Representative.

HALIFAX.—The plant of the Imperial Oil Company, located on the eastern side of the harbor, has cost in construction a sum not less than $3,000,000, and the construction is going steadily on. The further work is with a view to the export trade to Europe. To do this an expenditure of capital almost, if not quite as great as that already made, faces them. There is no hesitation in making this expenditure. A party of the directors and officials of the company were in Halifax a few days ago and they were confirmed in their opinion as to the huge possibilities of the export trade to Europe from this point. A New York expert who was with the party said to his fellow travellers of the oil company at a dinner in the Halifax Club, that Halifax is undoubtedly the most favorable place for such a trade on the whole Atlantic seaboard. This fact is one of the reasons why the company is going ahead on so large a scale. A steamer can come to Halifax from Mexico with a cargo of crude oil and get away again with her tanks full of refined without the loss of twenty-four hours in the process, as compared with a direct voyage. This is not to say that the same steamer would be used for both trips, but as an illustration of the speed with which the entering of the harbor, the discharging of cargo, the reloading can be done.

The position of Halifax is said to be extremely strategically convenient for the bringing of oil here from Mexico and for its export to Europe. One of the officials of the company, in conversation with THE FINANCIAL POST, said that the possibilities of the future refining and export of oil from Halifax are very great and that the outlook is that extensions of the company's plant and works will go on indefinitely—in fact, he said, this was known to the company when they began the building of Imperoyal, as the place where the plant is located is now officially known.

EMPLOYMENT SITUATION

Reports Indicate That Situation Continues to Improve

OTTAWA.—Reports from employers to the Dominion headquarters of the Employment Service of Canada, Department of Labor, indicate that, disregarding unemployment due to strikes, a further increase in the volume of employment was registered during the week ending October 18.

Returns for the week ending October 18 were compiled from the reports of 4,672 firms, of which firms 2,062 were in Ontario, 1,080 in Quebec, 477 in the Maritime Provinces, 648 in the Prairie Provinces, and 405 in British Columbia. These firms reported 674,032 persons on payroll as compared with 672,134 persons on payroll during the preceding week, an increase of 1,898 persons, or .3 per cent. An increase of 2,165 persons, or .3 per cent., was anticipated for the week ending October 25.

BLAMES EXCESS PROFITS TAX FOR THE HIGH PRICES

Views of Wm. B. Colver of Federal Trade Commission

BREEDS WASTE

Argues That Any Cost, Plus System of Taxation, is Bound to Have Effect of Upsetting Markets for Commodities

By WILLIAM B. COLNER,
Member U.S. Federal Trade Commission.

It seems quite clear that one of the chief contributing causes to the high cost of living is the excess profits tax. Certainly the excess profits tax is both a burden and a temptation to business. I think it would be a good thing if the excess profits tax could be repealed to-morrow. There never was a worse device invented than the scheme of "cost plus," and the excess profits tax is, in its essence, a cost plus arrangement.

Under a cost plus arrangement say of 10 per cent. profit on cost one can increase his profit by one dollar only by wasting nine other dollars and we have that curious and impossible situation of attempting to create wealth by wasting it.

In the excess profit tax when a concern has reached beyond what is considered to be its normal profitableness, the surplus is partially taken from it by increasing percentages. What follows? Waste and extravagance; or an effort to make as much profit with the excess profit tax in operation as though it were not in operation and that is done by charging excess profit tax to cost. It means the collection from all the people, when the 60 per cent. excess profit tax rate has been reached, of a dollar, unnecessarily, in order that 40 per cent. may be added to divisible profit.

And the excess profit tax or any other tax is not paid by the tax payer. It is passed on, it must be passed on, in the price of the product to the purchaser of the product, and, as it passes on and on, it grows, like a snow-ball rolling down hill, until it reaches the public. And the public, whether represented by a railroad president, a skilled mechanic, a farmer, a merchant, a common laborer or financier, having had the composite tax bill of all his predecessors passed to him, raises the price of his own labor whether that labor be stored up labor in the form of capital, labor of the hands, or labor of the mind, to meet the new cost of living. So, the distressing process having made a complete circle, it starts, again, the endless spiral upward.

Is it not true that the excess profits tax boosts costs, raises prices, halts production, breeds waste, extravagance and inefficient business methods and raises the cost of living? I think so.

Real Hardship For Business

Business is suffering under a very real hardship. It is this: Laws made to apply to business are of necessity inflexible, while business changes day by day. What is good for one industry is bad for another. So it is that we have a body of anti-trust laws drawn to meet certain known business sins, but, in the very nature of their drawing, so inflexible as to work hardship. There is agitation for repeal of the anti-trust laws. I am certain that public sentiment will not consider this, and I am just as certain that it would not be wise if it were possible to be done.

Take in your own cases. The law says that you may not allot territory and divide customers. That is a just law as applied to many great industries, but in your case it results in a most wasteful duplication of effort and equipment—a loss of profit and an increase of expense to the public. It is not uncommon to see, in a single city block, five, six or seven delivery wagons of as many ice companies, and the public and the ice industry share the expense and the economic loss of that duplication of effort. If that duplication could be cut out or substantially reduced, and, as a result, the public secured its share of the saving, both your industry and the public would be benefited.

There has been a suggestion, repeatedly urged, that the Federal Trade Commission should attempt to give "ruling" in advance. That means that a business concern about to embark upon a line of conduct might come to the Federal Trade Commission, explain its intent and purposes, and ask whether or not such line of conduct would be within the law.

Now, such a ruling in advance is an impossibility. For the Federal Trade Commission or any other body public or private, to attempt to rule in advance upon the effect of any unperformed act or acts, would require both the gift of prophecy and of clairvoyance. The Federal Trade Commission, as now constituted, may have many gifts, but not those.

That seems to bring us to an impasse. We can not repeal the law. The lawyers can not tell you what it means, and the Federal Trade Commission can not prophesy. That leaves business in doubt and doubt breeds suspicion and fear and despair. Sometimes it breeds defiance of law.

A bill which was introduced in Congress at the last session and reintroduced in the present session has appealed to me as offering a reasonable solution. The author of the bill is Mr. Steele of Pennsylvania, a lawyer and a business man. He proposes in his bill that any concern about to embark in any course of conduct may come voluntarily to the Government and set out clearly just what he intends to do. This expression of intention is to be received and the business concern given an acknowledgment of the receipt of his declaration. He may then go back and carry on his business in accordance with his expressed intention, and until some citizen shall come forward to complain that the public interest or business institutions are being definitely injured by that course of conduct, the license granted shall be a complete defence in any court of law or before any Government agency against any charges of breach of law.

It provides further, that if such charge is made, full and complete hearing shall be had, and if it shall be found that the course of conduct is against public interest, then the indulgence or license may be withdrawn, and thereafter, the business concern shall be amenable to the anti-trust laws.

I believe that some such arrangement as that would bring to American business that flexibility and understanding of individual cases as would permit it to expand and continue the giant strides its boundless energy indicates it shall take.

LITTLE STEEL COMES TO CANADIAN MILLS

Lack of Raw Material Interferes With Production Here

By A. R. KENNEDY,
Editor "Canadian Machinery."

It is hard to convince many Canadian firms, depending on United States steel for their raw material, that operations are as high as claimed at the mills. Figures on production frequently mention as high as 60 and 70 per cent. for some of the mills. As far as Canadian business is concerned, the real test is the delivery schedule that can be maintained here, rather than the claims of production made at the mills.

One manufacturer, when asked how shipments were coming through from the strike area in the United States, replied:

"We are at our wits' end to know what to do. We thought we were having tough skidding last week, but this week is worse many times over. It is now over 17 days since we have had a shipment of sheets or plates in our warehouse, and orders that were booked to go direct to our customers are faring very little better. Last week we thought we were fortunate because we received a good-sized shipment of boiler tubes, but on looking through them we find that the mills, that shipped to us were away off on standards, and that most of the material we received were lengths and sizes they had in stock. The ability to ship the much-wanted sizes would have been proof to us that they were operating at something like fifty or sixty per cent. capacity, but it looks as though they were off entirely."

One Ontario manufacturer, who conducts business in one of the manufacturing towns of the province, has just returned from a trip through the Canadian West, booking tractor business for spring delivery. On his return he found that he had orders for between 75 and 100 machines, so he immediately started to visit the warehouses and agents with a view to securing a supply of material, only to find out that he could get no promises of delivery, let alone any ready material that could be sent along as a starter.

The coal strike, coming on the heels of the steel strike, may add some zest to the rather tired-out steel conflict. Steel mills need a lot of coal every day for their coking plants. Canadian mills, it is believed, are in fair shape, having a very good coal reserve on hand.

U. S. FARMERS AND WAR

Ten Per Cent. Increase in Acreage and 120 Per Cent. in Prices

NEW YORK.—The farmers of the United States increased their acreage about 10 per cent. during the war period and received an increase of approximately 120 per cent. for their output.

These figures, the result of a compilation by the National City Bank of New York, are based upon the official records of the Department of Agriculture, showing the acreage and farm value on December 1st of the ten principal crops of the United States, wheat, corn, oats, barley, rye, rice, potatoes, tobacco, hay and cotton grown in the United States in the calendar years 1914 and 1918.

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HALIFAX, N.S.

AMES-HOLDEN POLICY PLANNED FOR MANY YEARS

Three New Departments Added, Operating Under "AHM" System

SEVEN BRANCHES

Lately Added Bring Total to Thirteen — Extending Sales Organization—"Felt" Issue Coming — Ambitious Plans

By Resident Representative.

MONTREAL.—Important developments are taking place in connection with Ames, Holden, McCready Ltd., and what is now being termed the "AHM" System." Some time ago the Ames-Holden Tire Co. was incorporated, and the construction of the factory at Kitchener is now well under way. A few days ago the Ames-Holden Felt Co. received incorporation, and this branch of the AHM System will be ready to deliver felt footwear early next spring.

The Mount Royal Rubber Co., organized for the purpose of manufacturing rubber footwear, is another part of the system, and the three, together with Ames, Holden, McCready, will combine leather footwear, rubber footwear, felt footwear, and rubber tires, all of which will be distributed by the AHM System or organization all over Canada.

Will Buy Goods to Sell

But the sales of this organization will extend even further than the goods they are manufacturing or plan to manufacture. As stated to THE FINANCIAL POST this week by the president of the company, T. H. Rieder, there have been seven new branches and warehouses established within the past few months.

The new branches are located at Halifax, Quebec City, Ottawa, London, Ont., Regina, Saskatoon, Sask., and Calgary, Alta. There had been already six branches and warehouses established at St. John, N.B., Montreal, Toronto, Winnipeg, Edmonton and Vancouver, so that the additions will increase the branches of the system from six to thirteen.

"The arrangements for our field organization are practically completed," Mr. Rieder stated, "and this will give power for distribution greater than our present capacity for manufacturing. Our field organization will, therefore, go out and purchase goods as well, and dispose of them. In other words, we will only limit it by capacity to sell and to procure goods. This increase in the selling end will give us a minimum of distribution cost." All this week conferences have been going on between the president and the various sales-managers of the different branches.

Rushing Tire and Rubber Factories

Work on the tire factory at Kitchener will be rushed, and arrangements have been made with Anglin-Norcross, Ltd., of Montreal, to assist the local contractors in order to anticipate the date of completion. The factory building of the Mount Royal Rubber Company is already finished, and the installation of machinery will begin at once. There has been for some time a great scarcity of rubber footwear in Canada, and no difficulty is anticipated in disposing of all the new plant can turn out. Work has been already on the new felt factory which is located at Kitchener, "the home of felt goods in Canada." Speaking of this end of the business, Mr. Rieder stated that there never was such a shortage of felt footwear in Canada as to-day, and it was years since weather conditions had so favored the sales of these lines. The demand in the West, as a result of the early severe weather, had been such that stocks were already depleted. It is probable there will be a public issue of felt stock, as there was for the tire company.

In a house organ, which covers thousands of the retail stores in Canada, "Shoe Facts," published by Ames, Holden, McCready, Ltd., customers are discouraged from purchasing leather footwear for more than 60 days in advance. "The placing of orders for spring delivery simply adds to the load which an already overburdened market must bear. It forces manufacturers to bid for leather and other materials far in advance of their approximate requirements, thus forcing quotations still higher."

The policy of the AHM System is to have stocks on hand at all the important centres in Canada, ready to deliver to the retail trade immediately orders are received, instead of the delay that would ensue if the orders, say from the West, had to be filled from some central warehouse in Eastern Canada.

An interesting announcement in reference to the plans that have been described above is being made to the boot and shoe dealers of Canada. The AHM System offers to Canadian retailers a complete service in every variety of foot covering. No matter where you are located—no matter what the particular requirements of your trade—the AHM branch stock is at your elbow, ready with prompt and dependable service in leather goods, white canvas, tennis and outing shoes, and felt footwear."

For the past ten days there has been little movement in the common stock, which has been holding firm around 112-113. On Wednesday and Thursday, in sympathy with the softer tone of the market, the price eased off a little. The preferred held well around 114½, only a couple of points above the common in spite of the 35 per cent. of arrears that are due on the preferred.

ABITIBI PLANNING TO DOUBLE OUTPUT

Will Bring Yearly Production Close to 150,000 Tons, or 500 Tons Daily

By Resident Representative.

MONTREAL.—The most buoyant stock on the market this week, with the possible exception of Ogilvie, was Abitibi, which reached a new high of 170, and closed on Thursday at 167 bid. Big developments are promised within the next year or so, and THE FINANCIAL POST is informed that the output of newsprint, which now amounts to 70,000 tons a year, will be doubled. In the wake of this comes the impending increase of prices, the mills will receive not only from the United States publishers but the Canadian. In spite of a rather soft market on Thursday, Abitibi jumped on a few sales from 160 to 165, and closed at 167. It is only a few months since this stock was "pegged" at the minimum price of 48.

It is interesting to note in connection with the strength of the common stock that in April of last year there were issued $1,000,000 Abitibi 7 per cent. convertible mortgage debentures at 87. One year later, last April, the price had gone to par, and to-day is quoted at 105-106.

In a letter to its clients, Royal Securities Corporation advises them to hold these debentures as follows: "Earnings are greatly in excess of the amount necessary to pay common dividend. The Abitibi property has great possibilities of development, therefore its shares should sell much higher in due course—a fact that makes the "convertible" feature of the debentures exceedingly valuable.

"For, the debentures are exchangeable, par for par, into common shares after March 1, 1921. The company has, however, the right to purchase all outstanding debentures from their holders on or before that date at 110, a right which we believe it will probably exercise.

"If the company does redeem them debenture holders will receive a price of 5 points higher than the present market. It does not they may convert into common shares at what will almost certainly be a still more substantial profit. In either case we believe the debentures will sell before March 1, 1921, at higher than present prices."

NEWS EXPECTED RE LYALL MOTOR

Trials Have Been Successful, it is Reported—Stock Was Strong During Week

By Resident Representative.

MONTREAL.—It is expected that an announcement will be made within the course of a week or two in regard to plans of P. Lyall & Sons' Construction Co. for their new motor engine and car. As was announced some time ago, several trials had been made of the engine in a car, and they were reported to be successful. Patent rights have been secured in the majority of countries in the world, and a test is to be made shortly, it is understood, for the Automobile Trades Association of the United States. It is probable that a new company will be organized but that valuable rights will remain with the shareholders of the present company.

The stock shows this week a rise to 162 up to Thursday, and a tendency to ease off now and then, whether to profit taking or whether it was offered with the idea of driving down the price it will be difficult to determine except for the insiders. The movement of the stock has aroused in some quarters enthusiasm, and in others the strongest hostility. It is "boosted" and "knocked" more than any other stock on the Street to-day. Time only will tell who are correct in this controversy.

After constructing 40,000 tons of wooden shipping during the last twenty-seven months, the Lyall Shipyard in North Vancouver is advertised for sale. During this period the shipyard used twenty-two million feet of Douglas fir and spent $2,500,000 in wages. The yard was originally started by the Wallace firm to build six auxiliary schooners for the Canada West Coast Navigation Company. At the peak of activities the yard employed 1,400 men.

INVESTORS OF WEST BUILDING BIG FLOUR MILL

$2,500,000 of Stock to be Sold at Par on Prairies

FOUNDRY OFFERING

Winnipeg Industry Seeks Public Support—These Projects Are an Indication of Western Conditions

A new $5,000,000 flour mill is being constructed at Calgary by the Alberta Flour Mills, Ltd. It is proposed that this mill will at once become an important factor in Canada's export flour trade as shipments will be made to Great Britain through the Port of Vancouver and the Panama Canal. With a large modern mill and that class of management, which the personnel of the promoters would seem to insure, the success of the enterprise is reasonably assured. Construction costs are no doubt high and there seems to be some difference of opinion amongst milling men as to shipping flour through the Panama Canal, but these factors have undoubtedly been given full consideration by those interested in the undertaking.

Every dollar of the $5,000,000 of preferred and common stock will be fully paid. Half the amount will be in bonds for the sale of which a contract has already been made and the balance, common stock, will be sold at $100 per share.

This stock will be largely sold in Western Canada, and it is the idea of the promoters to make the undertaking a Western one so far as possible.

The idea of selling $2,500,000 of common stock in an industrial enterprise in Western Canada at its par value without a bonus of any kind is an interesting indication of the changed conditions in the last few years. That the Westerners are now willing to consider industrial stocks and to pay par value without additional speculative attraction is a startling indication of the trend of investment ideas west of Winnipeg.

The directors are George Lane, Calgary, president of George Lane & Co., Ltd.; A. E. Cross, Calgary, president of Calgary Brewing and Malting Co., Ltd.; Edward E. Stevens, Calgary, formerly of Minneapolis. William Pearce, Calgary, late statistician of Economic and Development Commission; Col. J. S. Dennis, Calgary, Chief Commissioner of Colonization and Development, Canadian Pacific Railway; D. E. Riley, High River, Alta., farmer and ranchman, and Kingman N. Robins, treasurer, Associated Mortgage Investors of Rochester, N.Y.

New Foundry Company

Another Western project indicating the possibilities of industrial flotations in a country which for several years has been securing big prices for its agricultural products—and which still, no doubt, remembers the lessons of its experience in real estate speculations—is the Magnet Metal and Foundry Company of Winnipeg. An issue of $50,000 of 7 per cent. preference shares is being made to the public. Ten ten-dollar shares will be sold for $105 on suitable terms to investors of good standing. In addition to the 7 per cent. preferred dividend holders will share equally with common shareholders after the latter receive 7 per cent. Preferred shares to the extent of $51,560 and common shares to the value of $48,440 are already outstanding. Real assets are estimated at $100,000, consisting of real estate, buildings, plant and equipment. The members of the board of directors are as follows: President, Hugh R. Eade; vice-president, A. E. Donovan, manager of Cushman Motor Works of Canada, Ltd. Directors, A. R. D. Paterson, of Paterson & Waugh, fire insurance adjusters; W. R. Ingram, of Swift Canadian Co., Ltd.; E. G. Powell, of Kelly-Powell Ltd.; J. B. Coyne, Hamilton & Martin: Albert Hoiland president Hoiland Manufacturing Co., Fargo, N. D.: Hamilton Echlin, of Echlin Mfg. Co.

CANADIAN WOOLLENS

Several changes are announced in the executive and directorate of the Canadian Woollens, Limited. At a meeting for the purpose of filling the vacancy caused by the death of President J. B. Ferguson, William Hanson, of Montreal, of Hanson Bros., was elected to fill the vacancy on the board. A. O. Dawson, who has been vice-president and general manager, was elected president and W. K. George, of Toronto, first vice-president and chairman of the board. The board now is comprised as follows: President, A. O. Dawson; first-vice-president and chairman of the board, W. K. George; second vice-president, F. Barry Hayes, president Toronto Carpet Company; Isaac Bonner, general manager Penmans, Limited, Paris, Ont.; William Hanson, Hanson Bros., Montreal; G. D. Perry, vice-president Barrymore Cloth Company, Toronto; F. R. Sweeny, president Zimmerman-Reliance, Limited, Hamilton.

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Toronto St., Toronto

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W. G. Gooderham, R. S. Hudson, Col. A. E. Gooderham, J. H. G. Hagarty, John Campbell, S.S.C., John Massey, F. Gordon Osler, George H. Smith, William Mulock, George W. Allan, M.P.

When a purchasing agent says "just a minute"

That is his polite way of saying "I'm not certain that your price is acceptable. Hold the line till I look up the Selected Market Quotations in CANADIAN MACHINERY."

He may not know that the managing editor of CANADIAN MACHINERY personally compiles these market reports. But he does know, from experience, the dependability of CANADIAN MACHINERY'S quotations on all raw and finished materials entering into the manufacture of mechanical and general engineering products. He consults CANADIAN MACHINERY'S Selected Market Quotations because in these days of reconstruction it would be folly not to.

CANADIAN MACHINERY AND MANUFACTURING NEWS

TOOKE BROTHERS

A Montreal report says that there is a persistent rumor on the local street that something is likely to develop between Cluett, Peabody and Company and Tooke Bros., Limited. On a previous rise in Tooke stock this report was in circulation on the street, but met with a very prompt denial. It is now being taken up again, and some people are confident that there are likely to be developments in connection with the matter.

If the deal which is being discussed were to go through Tooke Bros. would be absorbed by Cluett, Peabody & Company on a basis of so much for the common and so much for the preferred.

CANADIAN ROGERS

Favorable reports were presented as to the future outlook at the annual meeting of Canadian Wm. Rogers Co., Ltd. In addition to the reading and adoption of the statements recently made public President S. J. Moore and General Manager M. R. Wadds spoke of the big increase in business done by the company and a continued strong demand for silverware. Mr. Wadds emphasized the good relationship existing between the company and its employees. Nothing was said as to dividend prospects. It will be remembered that the last payment of dividends on preferred was supplied by the parent company, Wm. A. Rogers, Limited.

BRAZILIAN

Gross earnings of the Brazilian Traction, Light & Power Company for the month of September totalled 9,792,000 milreis, and the operating expenses 4,783,000 milreis, leaving net earnings at 5,009 000 milreis, which is an increase of 144,000 milreis over the figures for the same month in 1918. Following are comparative figures for the year to date:

1919	Gross.	Net	Net Inc
January ..	8,522,000	4,283.000	587,000
February .	7.972.000	3.864 000	299,000
March ...	9,330 000	5 013,000	1,088,000
April	9,208.000	5,096.000	1,005.000
May	9,562,000	5,217,000	575.000
June	9 369 000	4.877.000	94.000
July	10,070,000	5,389,000	326 000
August ..	9.374 000	4,885,000	*325,000
September	9,792,000	5,009,000	144,000

*Decrease.

UNLISTED SECURITIES

	Bid	Asked
Alta.-Pac. Grain, com.	142 00	.....
American Sales Bk., pref.	.....	75 00
Belding Paul, com.	53 00	.....
British America Assur.	12 00	14 25
Can. Fairbanks, pref.	87 00	92 50
Can. Machinery, com.	29 50	35 50
Do., 6s	79 00	83 00
Can. Marconi	3 55	4 25
Can. Oil, com.	46 00	50 00
Carter Crume, pref.	65 00	75 00
Collingwood Ship., com.	32 00	38 75
Dom. Iron & St., 5s (1939)	75 00	82 50
Dom. Power, com.	56 50	62 50
Frontenac Breweries	61 00	.....
Harris Abattoir, 6s	97 50	100 00
Home Bank	92 75	96 00
Imperial Tobacco	5 25	.....
Kipawa Paper, com.	35 00	.....
Loew's, Hamilton, pref.	81 00	86 00
Massey-Harris	100 00	120 00
Murray-Kay, 7% pref.	69 00	75 50
National Life	40 00	.....
N. S. Steel, 6% deb.	87 00	91 00
Page Hersey, pref.	75 00	.....
South Can. Power, com.	21 00	25 00
Sterling Coal, com.	17 00	21 00
Sterling Bank	102 00	109 00
Toronto Paper 6s	88 00	95 00
United Cigar Stores, pref.	1 60	2 15
Western Assurance	14 00	16 00
Black Lake, com.	6 00	7 00
Do., pref.	16 00	19 00
Steel & Rad., com.	15 00	20 00
Do., pref.	.....	65 00

DIVIDENDS

Penmans, com.	Nov. 15	1¾	Nov. 5
Kamin. Power	Nov. 15	2	Oct. 31
Can. Converters	Nov. 15	1¼	Oct. 31
Sterling Bank	Nov. 15	1¾	Oct. 31
Oake Tire, com.	Ncv. 15	1½	Oct. 31
Riordon Pulp, com.	Nov. 15	2½	Nov. 10
Mon. L. H. & P., c.	Nov. 15	1¼	Oct. 31
Can. Cement, pref.	Nov. 16	1¾	Oct 31
Dom. Bridge	Nov. 15	2	Oct. 31
Ont. Steel, pref.	Nov. 15	1¾ + ½	Oct. 31
Can. Found's, com.	Nov. 15	3	Oct. 31
Do., pref.	Nov. 15	1¾	Oct. 31
B. C. Packers, com.	Nov. 21	3	Nov. 9
B. C. Fishing	Nov. 21	1½	Nov. 9
Royal Bank	Dec. 1	3	Nov. 15
Bank of Hamilton	Dec. 1	3	Nov. 20
Bank of Com.	Dec. 1	3	Nov. 17
Bank of Toronto	Dec. 1	3	Nov. 12
Union Bank	Dec. 1	2½	Nov. 14
Bank of Montreal	Dec. 1	3	Oct. 31
Home Bank	Dec. 1	1½	Nov. 15

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DIVIDEND NOTICE

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT., upon the paid up Capital Stock of this Institution, has been declared for the current quarter, payable on and after Monday, the FIRST DAY OF DECEMBER next, to Shareholders of record of 31st October, 1919.

By order of the Board.

FREDERICK WILLIAMS-TAYLOR,
General Manager.

Montreal, 24th October, 1919.

THE BANK OF TORONTO

DIVIDEND NO. 153.

NOTICE is hereby given that a Dividend of Three Per Cent. for the current quarter, being at the rate of Twelve Per Cent. per annum, upon the Paid-up Capital of the Bank, has this day been declared, and that the same will be payable at the Bank and its branches on and after the First day of December next to Shareholders of record at the close of business on the Twelfth day of November next.

By Order of the Board.

THOS. F. HOW,
General Manager.

The Bank of Toronto,
Toronto October 29th, 1919.

The Canadian Bank of Commerce

DIVIDEND NO. 131

NOTICE is hereby given that a dividend of Three per cent. upon the capital stock of this Bank, being at the rate of Twelve per cent. per annum, has been declared for the quarter ending 30th November next, and that the same will be payable at the Bank and its Branches on and after Monday, 1st December, 1919. The Transfer Books of the Bank will be closed from the 17th to the 29th of November next, both days inclusive.

By Order of the Board.

JOHN AIRD,
General Manager.

Toronto, 17th October, 1919.

THE FINANCIAL POST IN MONTREAL

Offices of THE FINANCIAL POST in Montreal are in The Southam Building, 128 Bleury St. THE FINANCIAL POST is on sale at the following news-stands and book-stores in Montreal: Murphy's News-stand, St. James St. (next G.P.O.); the Ritz-Carlton Hotel the Windsor Hotel, the Queen's Hotel, Chapman's Bookstore, 190 Peel St.; Foster, Brown & Co., 472 St. Catherine St. West.

The Mexican Review estimates the total British investments in Mexico at $1.000 000.000 Mexican gold or $500,-000.000 American gold. These include $123,899,000 in oil, $150,695,000 in public utilities, and $96,265,000 in mines.

The Spring-Rice farm, one of the best known in Saskatchewan, located near Regina, has been sold for $89,600, or $70 an acre, for the land and buildings only. This farm was secured in 1885 by Lieut. Gerald Spring-Rice and Bernard Spring-Rice, brothers of Sir Cecil Spring-Rice, British Ambassador to the United States during the war.

ENTHUSIASM FOR GRAND TRUNK BILL NOW WEAKENING

Government Strength Shows Evidences of Being On the Wane

EYES ON SENATE

Opinion Grows That Upper Chamber Should Amend Measure or Refuse to Pass it Altogether

By Resident Representative.

OTTAWA.—It is very evident that the bill to acquire the Grand Trunk Railway has not grown in popular favor, either in the House or in the country; and a feeling is growiny among the Government supporters, particularly from the West, that they may have made a mistake in following the Government so far on this matter. Some of the members of the Government have themselves weakened on the matter. A number of them make no secret of the fact that they do not like the measure and would have been glad to be clear of the responsibility of supporting it if they could see their way out.

It is very noticeable that the support from the front benches of the Government has been confined almost wholly to three ministers—Messrs. Meighen, Reid and Rowell. A number of the others have taken occasion to be absent from the House practically every time the bill is under discussion, and when present never raise a voice in support of it. There would be very little sorrow on the part of the majority of them if the Senate would either kill the bill or amend it so materially that its most objectionable clauses would disappear.

The C.P.R.'s Position

The C.P.R. bogey has been dangled before the eyes of Parliament repeatedly, does not scare anyone any longer. It is felt that the C.P.R.'s interest in the proceedings is not personal; and that it could not acquire the road in any event without coming to Parliament. In view of the fact that Government-owned railroads in the United States lost about $1,000,-000 a day last year, besides creating a great deal of trouble for the country through the influence which the large body of organized labor employed was able to exercise, is scaring a good many members of Parliament. Seventy thousand members of very strong unions would be able to dictate to the operators of the road through their influence with the Government, and do pretty much as they liked.

Members of the House and of the Senate who had gone home thinking that their presence was no longer necessary, are drifting back every day at the call of their whips, the Senators particularly being present in full force for the trial of strength which is coming in the Senate.

An Interesting Proposal

A rather interesting proposal was made in the House by a member of the Opposition this week as a counter alternative to the Grand Trunk plan of the Government. Three tables were submitted, the first showing the entire capital stock, guaranteed, preference and common, par value of $241,257,658, listed on the London Stock Exchange as quoted in the London Times of October 9-10, the day the agreement for arbitration was made with the Grand Trunk, at a market price value of $58,391,971. The price of common stock is only 9, on a total of $116,583,124. The guaranteed is quoted at 46; the three preference stocks at 50, 37½ and 20.

The total funded debt of the Grand Trunk in the form of debenture stock is $155,373,806. The market value of that stock on the same date was only $101,786 330. The entire Grand Trunk stock is therefore worth on the market $160,178,301, as against $396,631,464 authorized value. This value was suggested as fair to all concerned, and there was no reason why the Government should pay more for it.

The Government plan is to pay par value for the entire debenture and guaranteed stock, amounting to $216,-207,138 and submit the preference and common stock to arbitration. The proposal above suggested would procure the entire stock for $2,441,361 less than the Government plan would pay for the $60,833,322 of guaranteed stock alone.

A Complicated Deal

The simple facts are that the finances of the Grand Trunk are so involved and the Government plan so complicated that not half a dozen men in the House, and certainly very few in the country, realize just what the principle is that is concerned, or what the country will be let in for. Some of the arguments being made both for and against in the House show a very rudimentary conception of what the effect will be on the country's finances if the road is taken over.
—T.M.F.

BRIDGE WORKERS OUT

Some Employees of Dominion Bridge Reported on Strike

It is reported to THE FINANCIAL POST that no less than 200 iron workers of the Dominion Bridge Company of Montreal have left their work and gone on strike. Claiming that the management have refused to grant them a wage of 75 cents an hour and a 44-hour week, this is given as the reason for their action. A delegation from the strikers have met representatives of the company and it is hoped that a settlement may be effected.

NEGOTIATIONS ARE ON FOR MERGER OF STEEL COMPANIES

Continued from page 1.

Canada Steamship Lines is a later development, as a member of the proposed triumvirate, helped on by the creation of Halifax Shipyards by J. W. Norcross and Roy Wolvin (president also of the Montreal Transportation Company), and the $5,000,000 plate mill at Sydney by the Dominion Steel Corporation. The Norcross-Wolvin interests now control practically all the big shipbuilding plants east of Sault Ste. Marie down to the Atlantic Coast; in them "Iron" would find probably in a few years, anyway, its largest customer.

The story goes that a short time ago, Roy Wolvin offered to purchase 50,000 shares of "Iron" at $70 a share, providing $3,500,000 of cash. These shares, it is understood, were taken back by the Dominion Steel Corporation from the late James Ross, and have remained since then in the treasury.

This offer, it is said, was refused. In the meantime a plan was undertaken to secure control of a large block of "Iron" by open market purchase, which, with the 50,000 shares would give the practical control which it had been decided was advisable. Some 15,000 shares were bought first from the Montreal pool; then another 15,000 and still a third, until to-day about 45,000 have found their way into the hands, it is said, of Sir Henry Pellatt, Lord Beaverbrook, Col. Grant Morden, and other Canada Steamship interests.

A second offer, it is understood, came from Allied British interests to purchase the 50,000 block for $3,-500,000, and this offer, it is said, is under consideration.

Another proposal recently made was that a large pool be formed to acquire large blocks of Canada Steamships stock and various Montreal brokers were approached to give their support, but the plan fell through.

Coincident with the proposals, it is understood, was one to appoint Mark Workman as chairman of the Board of the Merger, or that of the Steel and Coal Companies at least, with D. H. McDougall as general manager.

It is believed that a strong faction of big holders of "Iron" is watching the various moves in the big game and will protest vigorously against a greater expansion of the capitalization than seems reasonable, and will also demand that a careful survey be made to ascertain the relative values that would be pooled by the four integral parts of the proposed merger.

The Merger and the Market

The stock market ticket has given no particular evidence recently of a merger as above outlined, but the report offers a logical explanation of the strength which Scotia has been maintaining in the face of very unsatisfactory operating conditions. Also there may be some significance in the appointment of Sir Thomas White to the board of the Steel Company of Canada.

CHANGES DURING THE WEEK

	Last Oct. 30	Sale Nov. 6	Change
Ames-Holden, com ...	112½	110⅛	— 2⅜
Do., pref.	115	113⅞	— 1⅛
Asbestos Corp., com...	83	85⅞	+ 2⅞
Do., pref.	93	97	+ 4
Can. Car., com........	48⅜	51	+ 2⅝
Do., pref.	97½	100¾	+ 3¼
Converters	70½	68½	— 2
Can. Locomotive, com.	100	98	— 2
Do., pref.	93¼	95	+ 1¾
Crow's Nest	*51	55	+ 4
Lyall Cons.	149½	156	+ 6½
Mont. Cottons, com...	76	82	+ 6
Monarch Knit., com...	*60	65	+ 5
National Car, com...	6½	4¼	— 2¼
Do., pref.	34¼	23	—11¼
Ogilvie Flour, com. ..	247	275	+28
Ont. Steel, com.....	47	43¼	— 3¾
Russell, pref.	98	100	+ 2
Steel of Can., com....	72¼	74¾	+ 2½
St. Law. Flour, com..	115	118⅜	+ 3⅜
Nat. Breweries, com..	183¾	177	— 6¾
Detroit Rly.	109	111	+ 2
Shawinigan	121½	120	— 1½
Abitibi Paper, com...	141	165	+24
H. Smith Paper, com.	135	139½	+ 4½
Price Bros.	223	235	+12
Riordon, com.	153	155	+ 2

Total imports into South Africa during first quarter of 1919 were valued at $71,931,045, compared with $50,481,343 for similar period of 1918.

MAY ABANDON WAR SAVINGS STAMPS

Scheme Has Not Been a Success—May be Replaced With Another

By Resident Representative.

OTTAWA.—The Government is understood to be considering the abandoning the War Savings Stamps idea and replacing it with another one, and those who have taken a prominent part in the stamps' campaign will likely be called in consultation after the Victory Loan is out of the way to go over the whole situation. The War Savings Stamps scheme has never been a success, for several reasons. In the first place, it was suggested here because of the results which had attended it in the United States; but over there they had it under way while the war was at its height, and the people responsive. In Canada it was first taken up about a year ago. First came the end of the war, and on top of that the Victory Loan, and the W. S. S. campaign was repeatedly shifted for a more favorable time, until it was nearly the end of 1918 before it was launched.

Figures on the books of the Finance Department show that, up to nearly the end of October, the total amount received from the sale of War Savings and Thrift Stamps by the National War Savings Committee since the system was inaugurated was $2,792,558.74; less redemption of stamps, $287,717.14, leaving a balance outstanding of $2,504,841.60. The amounts paid for printing, salaries and other expenses was $459,422.71, leaving a total surplus derived from the sale of the stamps of $2,045,-418.89.

At this rate of disposing of the stamps it will be seen that it would take just about twenty-two years to dispose of the whole proposed issue of $50,000,000; obviously too slow to make the idea worth bothering with.

The Government is now understood to be considering a scheme to replace the stamps with Savings Certificates, leaving out the war idea. The new issue would bear interest at the rate of five per cent. and be non-taxable. The idea aimed at is to give the scheme more of an air of permanency than the War Savings Stamps carry. Probably the sale of the stamps will continue until the end of the year so as to dispose of as many as possible of those on hand. The amount of the new issue has not yet been decided on.

BOUGHT BROMPTON ON THE POST'S ADVICE

The Financial Post,
Toronto.

Sir,—I thought the editor's reply justified a purchase (of Brompton) and I wrote my broker. He advised purchase and bought me thirty at 59. Had I not seen that reply I would have known nothing of the stock and would have missed a good purchase. That is the advantage of receiving the paper promptly.

—From a subscriber at Mattawa, Ont.

War Expenditures Nearly Over

Prices of Bonds should advance as has happened after all great wars.

Buy now for present interest and for future enhancement of value.

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Res. Liab. of Proprietors....£5,000,000
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In New South Wales...... 39
In Queensland 19
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Toronto Street, Toronto

Capital and Surplus......$11,672,509.77
Investments $31,461,387:24
Established 1855.

OTTAWA GAS COMPANY

The Ottawa Gas Company reports a further increase in gross income for the current year over 1918 in returns received for July and August. Gross income for these months amounted to $89,882.16, as compared with $84,995.06 during the same months of 1918. Gross income for 1919 now shows an increase of over 6 per cent. over that for 1918. The excess amounts to $19,648.38.

SCOTIA TRAMS FACES SEVERAL DAMAGE ACTIONS

Corporations Have Slim Chances When Case Goes to a Jury

PUBLIC OPINION

Is Against Big Business and Therefore Every Effort Should Be Made to Give Service to the People

By Resident Representative.

HALIFAX.—The sitting of the fall term of the Supreme Court this week and last has excited some special interest on account of the number of actions for damages brought against the Nova Scotia Tramways and Power Company. It is not hard to believe that the legal battle is half won when it is a jury that is trying such an action. In the first place, even the "true men" who constitute the ordinary jury are prone, it would seem, to believe almost any witness when the evidence is brought out by the plaintiff as against a corporation, at least the jurors appear to look at it with some small degree of comparative favor. There is another thing—the plaintiff is usually considered to be the poorer of the litigants and the feeling of sympathy for what looks like the under dog helps him with a jury. A public utility concern like the Tramways company has at all times arrayed against it a certain amount of public hostility and criticism and when a case for damage comes to trial this finds a vent, though perhaps only subconsciously.

A number of actions for damages came before the court at this term and while the juries no doubt did what was quite right there is at the same time cause for the remark that when the action is against the corporation the battle is half won when it begins, and the Tramways invariably lost. This shows how important it is that corporations should at all times be very careful to conciliate public sentiment by the fairest dealing. The Nova Scotia Tramways Company has unfortunately frequently been brought into direct conflict with public sentiment but not always because of any fault of its own. The present management seems to be able to avoid some of these unpleasant situations and it is getting along much better with the "people." A company that 's spending $1,000,000 in extensions and improvements, as this one is, and may have soon to spend another million, does not find it so hard to get along smoothly as one which has slim resources of this kind and perforce has to let matters drift.

Against the Corporation

But all the same, the ordinary tendency is for the jury to look askance at the corporation when a private individual sues for damage, at least that is the way down here. The same feeling was manifested to some extent when a young man a day or two ago obtained damages for $700 against a chocolate manufacturing company on the plea that he had been made ill by eating a chocolate bar with which in some way particles of broken glass had become mixed. The young man became sick after eating the chocolate and there was evidence of glass but the jury was not any the less inclined to find in his favor to the extent of $700 because the company was rich and the plaintiff not specially affluent in this world's goods.

RAILROAD EARNINGS

For the last ten-day period of October gross earnings of the three principal Canadian railroads totalled $11,480,446, as compared with $11,210,413 for the corresponding period in 1918, an increase of $1,270,033 or 12.3 per cent. Comparative figures follow:

	1919	1918	Change	%
C. P. R...	$5,878,000	$5,023,000	+$ 855,000	17.0
C. N. R..	3,183,584	3,030,017	+ 153,567	5.0
G. T. R..	2,418,862	2,157,396	+ 261,466	12.1
	$11,480,446	$10,210,413	+$1,270,033	12.3

ONTARIO STEEL PRODUCTS

Some fairly large sales of Ontario Steel Products common have been made during the last few days, and judging by the way prices jumped for specific sales, some of the buyers have been insistent in their desire to gather up as much as possible. A Montreal report dealing with this feature states that the company still owes 2 per cent. on the back preferred dividends, and the demand was considered to be discounting the possibility of their being paid off soon. There is another side to the story, however. The General Motors Corporation are putting up a large plant at Oshawa and the Ontario Steel Company is the largest makers of springs in the Dominion. Some time ago the General Motors absorbed the McLaughlin Carriage Co., and it is suggested that knowing where General Motors will place contracts for products like Ontario Steel's, interests close to the McLaughlin company are picking up the stock, and are finding it scarce.

ACADIA SUGAR

Meeting On 11th to Consider New Debenture Issue

HALIFAX.—A meeting of the shareholders of the Acadia Sugar Refining Company was called to consider the issuing of $3,000,000 of seven per cent. debentures and a proportionate amount of ordinary and preferred shares. It had to be postponed because of the non-arrival of the proxies of the shareholders in Glasgow, the delay in this preventing the requisite representation of shareholders to make the action proposed legal. An adjournment was accordingly made until November 11, the date at which the action to have been taken to-day, would have come up for ratification. At that meeting a further adjournment will be taken.

WALLACE WILL STAY WITH LOCOMOTIVE

President Decided to Reconsider Resignation After Meeting at Toronto

The strike at the Canadian Locomotive is settled. The stock has had a remarkable demonstration of strength as it has increased all through the period of inactivity. In the middle of February it was down at 60 as against par, which has been touched and bettered for several sales in October. Rumors concerning the resignation of F. G. Wallace, president of the company, were set at rest by a statement given out following a meeting of the board.

Mr. Wallace, it is understood, agreed to withdraw his resignation on condition that he be given six months' leave of absence. There have been some rumors that possibly another company might take control, following Mr. Wallace's departure, but it is learned that there is nothing of that kind afoot. After the meeting, which was held in the office of Mr. Aemilius Jarvis, Toronto, chairman of the board, the following statement was given out:

"A meeting of the directors of the Canadian Locomotive Company was held in Toronto to-day, for the purpose of taking action upon the resignation tendered by F. G. Wallace, President of the Company. The board unanimously insisted on Mr. Wallace retaining office granting him a six months' leave of absence, which he has accepted. This arrangement would indicate that no outsider will be brought into the company and it is probable that Mr. Wallace will leave the affairs of the company in the hands of William Casey, general manager."

MAY RENEW SHIPMENT OF COAL TO STATES

But British Columbia Has Little To Spare at Present

By Special Representative.

VANCOUVER.—Due to the strike of the coal miners of the United States, there has been some talk on the coast as to the probability of British Columbia coal entering the United States in greater supply than at present. Mining officials here are of the opinion that the present demand from Seattle is so heavy upon the mines on Vancouver Island that it would be impossible to ship any more. The only possible source of supply for the American side would be in the upper country where some coal might be spared, but with the exception of the product turned out at the Crow's Nest mines, the quality of the interior coal is not up to the standard of that mined on the Island.

During the past year 1,040,334 tons of coal valued at $4,289,850 left the coast province for the United States. Up to last year when the fuel controller stopped the shipment of B.C. coal to San Francisco, extensive shipments were made to the southern port, but no effort has since been made to resume this business. During the past two years the average monthly shipments of coal south of the line were 87,000 tons the bulk of which was shipped from Nanaimo, Cumberland and Fernie.

NORTHERN OHIO

The earnings statement of the Northern Ohio Traction and Light Company for the twelve months ending with September shows gross amounting to $8,544,037, an increase over the figures for the corresponding period in 1918 of $1,527,722. Operating expenses amounting to $5,739,596 left gross income of $2,804,440, which compared with $2,431,489, an increase of $372,951. Net income available for depreciation, replacements and dividends totalled $1,438,758, an increase over the 1918 figures of $138,644.

NOVA SCOTIA STEEL

Figures given out show that the Nova Scotia Steel Company anticipate that the 1919 output will exceed that of 1918. The production of the collieries in 1918 was 502,108 tons, and indications now are that a total of 550,000 tons for the year may be reached for 1919. In this event, 1919 will show the highest production since 1914. Officials of the company are in England now for the purpose of looking after market conditions.

DEVELOPMENT FOR PREMIER CERTAIN UNDER NEW DEAL

Guggenheim Interests Get Two-Fifths Stock in New Company

B.C. MINING NEWS

Dolly Varden Mines Prove to Have Plenty of Good Silver, and Operations Will Continue

By Special Representative.

VANCOUVER.—Two weeks ago a rumor was current in Vancouver that the Guggenheim interests were about to acquire a large portion of the Premier mine, located at Stewart on the Portland Canal. The announcement has now been made here that a sale of a two-fifths interest has been effected to the Guggenheims, and that active development work will be carried out at once. This is the largest mining deal made in British Columbia this year and is regarded as most important in mining circles. Ore blocked out at the mine is valued at between $8,000,000 and $10,000,000.

Mr. R. W. N. Wood of Fernie, will remain president of the company, and R. K. Neill of Spokane the general manager. Other officers and directors are as follows: Vice-president and managing director, H. A. Guess of the Guggenheim Company, New York; second vice-president, M. C. Keith, New York; secretary, W. E. Norris of the Guggenheims; treasurer, L. A. Champ of the same interests, New York; directors: R. W. N. Wood and W. R. Wilson of Fernie; R. K. Neill, Spokane; and H. B. Price, M. C. Keith, W. C. Potter and H. A. Guess, all of New York.

Abandoned twice by different groups of operators, the Premier has had rather a chequered career. It was located in 1910 by W. Dilworth and Bunting Bros. Later in the year, control passed into the hands of O. B. Bush, who organized the Salmon Bear River Mining Company. Considerable development work was done on the claims, but the returns were not as rapid as had been anticipated, and further activities were abandoned. Shortly after the outbreak of war, the property was re-opened under bond to New York interests who spent $60,000 in driving tunnels into the low-grade showings. Then they also ceased to work the claims. The foreman at the mine who had worked under the different syndicates, had such faith in the undertaking that he finally interested R. K. Neill of Spokane, who bonded the mine for $100,000. His examination into the various vein out-croppings resulted in his being successful in floating the present company, into which he has infused the needed capital, as represented by the Guggenheims. As high values are in sight, the promoters are assured a big return on their investment.

The company proposes to erect its own concentration mill, and will make use of both the flotation and cyanide processes of gold recovery.

250,000 Ounces in Two Months

After a great deal of litigation which ended in the property being returned to the Taylor Engineering Company of this city, the Dolly Varden Mine on Alice Arm, near Anyox, has started operating again and during September shipped silver ore to the extent of 112,000 ounces. When the returns for October are in it is expected that the figure will be 150,000 ounces, according to a report of three Vancouver business men who are heavily interested in the mine. While the party was at Anyox on the southbound trip, samples of ore picked from a scow which lay there, ran 4,000 ounces to the ton. The run of shipping ore is running from 50 to 70 ounces, though a great deal of it will run much higher. Providing there is an open winter, the officials of the company plan to keep up operations with a permanent force of thirty men.

This property was at one time under option to the Temiskaming Mining Company, which compacted to pay $900,000 for it, but legal difficulties prevented the consummation of the sale.

WESTERN CANADA FLOUR

J. E. Macfarlane, of the Western Canada Flour Mills Company, reports a very satisfactory business at the present time. Domestic orders are unusually good at the present time, he states, and have practically taken the place of export business for the time being.

STEEL OF CANADA

Steel of Canada preferred is well established at par, a position on the verge of which it has been hanging for some time. Common has been giving a consistent performance around 73, and the business now passing through the mills warrants the strength. Bookings for the sheet and bar mills are now four months ahead of capacity, and business continues to come in rapidly, the absence or shortage of U.S. material no doubt having something to do with the increased tonnage going to the Hamilton works.

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Cash Capital: $1,000,000.00.
Total Assets Dec. 31st, 1918: $10,286,583.97
Canadian Department: MONTREAL W. E. Findlay, Manager
Toronto Agents: - - Murphy, Love, Hamilton & Bascom

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ADVANCES SHOWN IN GOLD ISSUES ON MINE MARKET

Silvers Not So Active, Though Peterson Lake Has Flurry

HOLLINGER DIVIDED

Big Gold Mines State They Are Going to Twice Their Present Depths to Dig Ore

Gold stocks were much in favor this week, and all the principal issues on the Toronto Mining Exchange showed advances. It was the best week the Mining Exchange has had since the attack of sleeping sickness which came over it this spring and has remained ever since. Although the silver issues did not show any advances quite so interesting as the gold section exhibited they were quite active, and one of them, Peterson Lake, provided most of the activity during the week.

Hollinger, which a week ago was selling at a few cents over the seven dollar mark, was up to $7.50 by the middle of the week. This is an advance of about $1.25 in three months. McIntyre went over the $2.00 mark, for the first time since the reaction following the high of $2.10 reached on Sept. 17. Lake Shore went up to $1.28, a 16 cent jump in a week. Dome sold up to $14.50, where it touched last week, just before reaching to $14.00.

The rising market was undoubtedly brought about by optimistic reports from the northland, which though they did not contain anything very startling in the way of news, were instrumental in emphasizing the fact that many of the stocks are selling at lower than their real value. Hamilton B. Wills had a wire from Cobalt which stated that the increased Hollinger dividend was practically a certainty, and which stated also that all the leading mines are making plans to operate at twice their present depths in the belief that the Timmins field will prove to be one of the deepest on the continent.

Peterson's Flurry

Peterson Lake provided the chief interest in the silver stocks during the week, and went as high as 18½ cents, although it has hung around 12½ and 13 cents for several months. The movement is not looked upon as healthy, however, and Peterson will probably be back around its old levels again in a few days. La Rose, which has been very inactive around 40 cents for some months, went to as high as 48 cents this week.

The brokers are hoping that the flurry this week will continue and that the Cobalt and Porcupine stocks are in for another continued era of prosperous activity, such for instance, as they were experiencing a year ago. It has been a hard summer for the mining brokers, and many of them have barely covered expenses. With mining stocks selling at far below their real value, it was impossible to stir up public interest.

SILVER MIGHT BE HIGHER

Thinks One Observer, Who Blames the Lowly Pound

The depreciation in the value of the British pound sterling is given by one observer as the reason that, although silver in London is selling at the highest price that has been known there in over 125 years, 64d. an ounce, in New York it is not yet up to the price that was reached in 1873, when silver was "demonetized." The London price of 64 pence is equal to $1.40 1-3 for American silver, f.o.b. London, allowing 1 1-3 cents for freight and insurance, if figured at the normal rate for sterling of $4.86 2-3. But with the pound at only about $4.15 and the British price for silver governing the New York official quotation silver is quoted in New York at around $1.23 instead of about 17 cents higher.

SMELTERS LIABLE

Must Pay For Damages to Crops From Fumes

A recent decision of the Supreme Court of Canada seems to decide the controversy that has long been waged over the liability of a smelter for damage done to surrounding crops by fumes from its retorts. The Supreme Court's decision was on in a case between the Consolidated Mining and Smelting Company of Canada and a farmer in the Trail Smelter District. This was an action brought by the latter against the company for damages claimed to have been done to his farm, crops and timber by the metallurgical smoke from the Trail Smelter. The case originally was tried before a special jury which found for the plaintiff, the verdict awarding the latter $2.170. The Company appealed to the British Columbia Court of Appeal which upheld the judgment of the lower court. The case then was carried to the highest Canadian court with the same result, the appeal being dismissed with costs.

This is not the first time the smelters have had to face this trouble. In the process of smelting, arsenic fumes are given off, which are fatal to any vegetation in the neighborhood. A few years ago, a large smelter in an Ontario town had to close down on account of the threatened legal action of the residents of the neighborhood. In this incident the cases never came to court, thus preventing an earlier decision on a long-standing source of trouble.

MINING STOCK QUOTATIONS
Week Ending Nov. 5.

	High	Low	Close	Sales
Adanac	9½	8	8⅛	133,800
Apex	3½	1⅛	3½	3,000
Atlas	26	25½	25¾	28,300
Bailey	5	4½	4¾	2,700
Beaver	41	38	40½	20,800
Boston Creek	24	..	..	700
Buffalo	3.50	..	..	100
Chambers	13	11	13	4,500
Coniagas	2.85	2.80	2.85	250
Crown Reserve	36	34	35	4,500
Dome Exten.	34½	33¾	34	4,925
Dome Lake	15	..	..	1,000
Dome Mines	14.50	14.00	14.50	545
Foster	4½	..	..	1,000
Gifford	1⅞	1⅝	1⅝	26,200
Davidson	77	75	77	5,483
Hargraves	2½	2¼	2¼	8,500
Hollinger	7.45	7.10	7.43	2,514
Keora	18½	17½	18½	64,000
Kirkland Lake	37	35½	37	2,200
Lake Shore	1.25	1.13	1.23	8,200
La Rose	45	40	45	4,155
McKinley-Dar.	70	67	67	3,400
McIntyre	1.98	1.96	1.98	8,375
Moneta	13	..	..	500
Newray	13½	12¾	12¾	3,500
Nipissing	11.85	11.50	11.60	4,755
Mining Corp.	2.00	1.70	1.92	794
Ophir	4½	3⅞	4¼	29,300
Pete. Lake	16¾	13½	16½	67,650
Porc. Crown	27½	27	27½	13,850
Preston	3¼	..	..	3,000
Porc. Tisdale	1¾	1⅝	1¾	118,000
Schumacher	22	21	22	2,000
Teck-Hughes	20	19	20	15,100
Thom.-Krist	7½	7	7	9,000
Trethewey	31	28	30	16,500
Wasapika	1.08	1.04	1.05	30,850
Timiskaming	45	42	43½	31,400
V. N. T.	19½	19	19½	3,250
West Dome	10¼	10	10	18,100
Cons. Smelters	30½	29½	29½	960

BIRTH-RATE OF OIL COMPANIES INCREASES

Nearly $600,000,000 Invested in Them in September

During the month of October all previous records for the incorporation of oil companies in the United States were broken, and 157 companies were organized with an aggregate capitalization of $613,600,000. In July of this year 161 companies were organized, but the aggregate capitalization did not come up to figures for October.

A total of 1.307 new oil ventures have been launched so far this year, with investments totalling over $2,700,000,000, more than twice as much in ten months as during the years of 1917 and 1918, when the aggregate capitalization of new oil companies was about $1.200 000,000.

The following table shows the number and total capitalization of new American oil companies during the past two years:

1918—		
January	38	$41,240,000
Febuary	31	28,325,000
March	62	41,400,000
April	143	61,729,000
May	121	39,368,000
June	109	51,764,000
July	92	27,083,000
August	60	25,729,000
September	56	59,922,600
October	44	42,910,000
November	46	14,717,000
December	28	5,293,000
Total	820	$430,480,600
1919—		
January	86	$60,825,000
February	94	51,362,000
March	110	54,005,000
April	121	104,469,000
May	199	202,305,000
June	123	355,390,000
July	161	586,216,500
August	103	173,345,000
September	153	515,510,000
October	157	613,610,000
Total, 10 months	1,307	$2,717,037,500

Stock Movements of the Week

Week ending November 6, 1919.

	Ask	Bid	High	Low	Close	Sales	Yield to Oct. 29
Banks—							
Commerce	198	197½	198	197	197¾	139	6.02
Dominion	206	205	206	205¼	205⅞	237	5.85
Hamilton	195½	194	195½	194¼	195½	25	6.15
Imperial	199	198	198	197¾	198	29	6.09
Merchants	191	...	188½	188	188	25	5.75
Molsons	194	...	193	193	193	16	6.31
Montreal	209	207	210	207½	210	102	5.71
Nova Scotia	273	...	273	273	273	18	5.90
Royal	...	215½	215¾	215½	215½	110	5.58
Standard	211¾	211½	211¾	211¾	211¾	25	6.13
Toronto	...	197	197	197	197	4	6.09
Transportation—							
Barcelona	8	7¾	8¼	8	8	430	....
Brazilian	51	50¾	51¾	50¼	51	2149	....
Can. Steamships, com.	71¼	70½	74	72	72	2438	5.71
Do., pref.	86¼	86	86¼	85½	86	1877	8.13
Detroit United	112½	112	113	109½	111½	4742	7.33
Duluth-Superior	31½	30	31	31	31	1	7.14
Illinois Traction, pf.	70½	70	70	70	70	143	8.57
Quebec Ry.	25	24	24⅞	23	24¼	1313	....
Toronto Ry.	...	41	41	41	41	65	....
Twin City	47	45	46	43	43	71	....
Telegraph, Light, Power—							
Bell Telephone	118	117	118	117¼	117¼	144	6.83
Consumers' Gas	147	146	146½	145½	146½	57	7.04
Mackay, com.	80	79½	80	79¼	79⅞	205	7.50
Do., pref.	66½	66⅛	66½	66⅛	66⅛	94	6.06
Montreal L., H. & P.	90¼	90	90	89	90	1430	5.55
Shawinigan	121	120⅞	122	120½	120½	801	5.73
Industrial—							
Abitibi P. & P., com.	200	170	170	141	166½	2359	4.22
Ames Holden, com.	113	112	112½	112	112	883	....
Do., pref.	114¾	114¼	115	114	114½	1019	6.14
B. C. Fish, com.	68	66½	69	65	68	1464	7.69
Brompton P. & P., c.	85¼	85	86¼	82½	83¼	15727	6.02
F. N. Burt, com.	106	105	106	105	105	263	7.61
Do., pref.	106	105	106	105½	105½	115	6.66
Canada Bread, com.	26	25	25	24½	25	52	....
Canadian Car, com.	51	49	55	48½	51½	6555	....
Do., pref.	101	100	101	97½	101	1572	7.14
Canada Cement, com.	72	70½	73	72	72	894	8.45
Do., pref.	...	100	100	100	100	134	6.93
Canadian Converters	69	...	69½	69	69	210	7.46
Can. Cottons, com.	95	94¾	95	94½	95	175	6.31
Do., pref.	...	...	82	81½	82	13	7.14
Can. Locomotive, com.	99½	...	100	98	98	92	5.94
Do., pref.	96	95	95	94¼	95	31	7.52
Can. Gen. Elec., com.	112	111	112¼	112	112	225	7.14
Carriage Fact., com.	28	...	28¼	25¼	28¼	310	....
Do., pref.	...	76	75½	70½	75½	402	....
City Dairy, com.	...	...	54¾	54¾	54¾	4	....
Dominion Bridge	113	112½	114	110	113	961	7.27
Dom. Canners, com.	65	63½	64½	63	64	1813	....
Do., pref.	...	87¾	88	87½	88	26	8.04
Dominion Steel Corp.	69½	69¼	72¼	68¼	69¾	13205	8.82
Dom. Iron & Steel, pf.	...	95	95	95	95	70	7.36
Dominion Coal, pref.	...	98	95	95	95	2	7.14
Dominion Textile, c.	122	121½	121½	120¼	121	249	6.61
Do., pref.	105½	...	106	105½	105½	15	6.60
Goodwins, Ltd., com.	...	...	25	25	25	10	....
Do., pref.	...	...	75	75	75	10	....
Lake of Woods, com.	230	222	225	222	225	125	5.40
Do., pref.	108½	...	109	109	109	9	6.48
Laurentide	245	244¾	245	243	244¾	1041	4.97
Lyall Construction, c.	160	158	165	151	160	4470	5.51
A. Macdonald, com.	39	38¾	39	37	38	420	....
Maple Leaf Milling, c.	201	199	203⅜	200	200	210	6.00
Do., pref.	...	...	104	103	104	20	6.79
Mont. Cottons, com.	83⅛	82½	82½	82½	82½	10	6.17
Monarch Knitting, c.	...	...	65	65	65	2	....
National Steel Car, c.	6	...	4¼	4¼	4¼	75	....
Do., pref.	25	23	23	20	23	165	....
Nova Scotia Steel, c.	...	...	85¼	85¼	85¼	6	6.41
Do., pref.	...	...	106	106	106	5	7.61
Ogilvie Flour, com.	265	264¼	265	248	205	245	4.89
Do., pref.	...	...	108	108	108	25	6.48
Ont. Stock Products, c.	44	42½	49¼	42½	42½	1085	....
Pacific Burt, com.	35	33	35	35	35	50	6.06
Penmans, com.	107	105	109	106½	106½	157	5.60
Price Bros.	...	230	235	235	235	10	3.60
Riordon P. & P., com.	158	157¼	157½	153	157½	1075	6.53
Do., pref.	98	97½	97¾	97½	97½	110	7.21
A. Rogers, pref.	95	...	93	93	93	31	....
Russell Motor, pref.	100	...	98½	98	98½	60	6.42
Sawyer-Massey, pref.	...	60	60½	60	60	70	....
Sherwin-Williams, pf.	...	...	100	100	100	25	7.00
Smith Paper Mills, c.	137½	...	140	135	140	279	....
Do., pref.	...	...	99¼	99¼	99¼	50	7.07
Spanish River Pulp, c.	70	69	72¼	68⅞	72¼	10730	....
Do., pref.	...	117	118¾	117	118	1737	....
Steel of Canada, com.	74½	73¾	77½	71¾	75⅜	14650	8.33
Do., pref.	100	99	100	99	99	167	6.93
St. Lawrence Flour, c.	120	119	120	116	119	1490	5.26
Tooke Bros., com.	...	...	67½	67½	67¼	5	....
Tuckett Tobacco, com.	57	54	56⅞	55	55½	355	....
Do., pref.	...	...	90	90	90	5	7.77
Wabasso Cotton	104	103¾	104	103½	104	147	7.61
Wayagamack, com.	85¾	85	87	82	84½	3801	....

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WHEN such sound and profitable investment opportunities as war loans are offered don't envy folks whose trust savings accounts enable them to invest—make sure that you have plenty of money laid by yourself to buy some of the next loan. In the meantime we welcome your account whether small or large. Interest 4%, paid half-yearly.
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Rubber Stocks?

How does the price of raw rubber affect tire stocks? Will the next swing on "Rubbers" be up or down?

BABSON'S

Speculative Bulletin of October 24th carries a message of vital importance to every one interested in "Rubbers". A few copies are available for distribution to interested investors, *gratis.*

Report on Request

Write on your letterhead for copy of this Special Bulletin and booklet, *"Getting the Most from Your Money"* giving full details of the system being employed with remarkable success by over 8000 of the country's ablest investors.

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Glenn L. Martin, pioneer flyer and builder of airplanes, says: "The recent New York-Toronto and New York-San Francisco aerial races have developed the fact, startling to most people, that as far as speed contests are concerned the airplane is not only faster than the automobile, but from the standpoint of safety and reliability has it all over the motor car."

MONEY BANKING AND EXCHANGE

ALL BUT TWO CITIES REPORT HIGHER RETURNS

Eastern Cities Report a Gain of 29% and Western Cities 7.4%

DOMINION GAINS 21%

October Clearings Are Well Ahead of Last Year's Figures, Gain for the Month Being 26.2%

Only two cities out of a total of twenty-four reporting bank clearing returns for the week ending November 6, show a falling off as compared with the figures for the corresponding period in 1918. The total for the twenty-four cities is $395,535,617, as compared with $326,458,173, an increase of $69,077,444, or 21.1 per cent. In the East the gain is $60,194,832, or 29 per cent. Windsor again reports the largest percentage increase with a total for the week at $2,536,165, a gain of 98.4 per cent. Kitchener shows a gain of 56.5 per cent., and Ottawa 54.7 per cent. Toronto, with a total of $95,603,530, reports an increase of 43.4 per cent., while Montreal's increase amounts to 17.1 per cent.

Western cities report a gain for the week of $8,882,612, or 7.4 per cent., Winnipeg being the only city to show lower returns. Edmonton shows the largest percentage gain in the West at 49.5, while Medicine Hat, Calgary and Vancouver also show substantial gains. Following are comparative figures:

WEEKLY BANK CLEARINGS
(In comparison with some week last year.)

Eastern Cities.

	Nov. 6,1919	Change	%
Montreal	$ 131,143,978	+$ 19,215,340	17.1
Toronto	95,603,530	+ 28,939,508	43.4
Ottawa	14,161,229	+ 5,006,756	54.7
Hamilton	8,197,183	+ 2,273,152	38.3
Quebec	7,235,751	+ 1,848,236	34.4
London	3,961,040	+ 872,656	28.4
Brantford	1,348,215	+ 211,933	18.5
Peterboro	1,142,831	+ 199,015	21.1
Sherbrooke ...	1,093,961	— 70,414	6.0
Kitchener	1,222,157	+ 441,345	56.5
Windsor	2,536,165	+ 1,257,305	98.4
Total, East. ..	$ 267,646,040	+$ 60,194,832	29.0

Western Cities

	Nov. 6, 1919	Change	%
Winnipeg	$ 75,198,532	—$ 4,155,811	5.2
Vancouver	15,328,256	+ 4,151,738	37.0
Calgary	11,239,607	+ 3,291,344	41.4
Edmonton ...	6,182,882	+ 2,047,446	49.5
Victoria	2,721,226	+ 374,909	16.0
Regina	7,234,690	+ 1,765,857	32.3
Saskatoon	2,783,975	+ 207,181	8.0
Moose Jaw	2,480,942	+ 97,790	4.1
Ft. William .	1,372,712	+ 329,397	31.5
Brandon	1,325,927	+ 204,974	18.3
N. Westminster	748,351	+ 177,001	30.9
Medicine Hat .	722,115	+ 234,129	48.0
Prince Albert..	550,362	+ 156,657	39.8
Total, West. ..	$ 127,889,577	+$ 8,882,612	7.4
Grand Total ..	$ 395,535,617	+$ 69,077,444	21.1
Yr. to date.	$12,851,892,924	+$2,004,126,814	18.4

MONTHLY BANK CLEARINGS
(In comparison with same month last year)

Eastern Cities

	October, 1919	Change	%
Montreal	$ 630,794,792	+$158,925,545	33.7
Toronto	403,638,337	+ 103,528,049	34.7
Ottawa	40,818,526	+ 7,051,034	20.8
Hamilton	30,094,098	+ 5,278,354	21.2
Quebec	26,803,429	+ 5,106,865	23.5
Halifax	22,534,817	+ 2,579,343	12.1
London	14,607,557	+ 3,266,687	28.8
St. John	13,908,051	+ 4,032,917	40.8
Brantford	6,144,190	+ 1,721,418	38.9
Peterboro	4,098,155	+ 157,257	3.9
Sherbrooke ...	4,246,050	+ 692,956	19.5
Kitchener	4,793,387	+ 1,852,863	63.0
Windsor	11,371,667	+ 7,287,875	178.4
Total, Eastern.	$1,213,853,056	+$301,481,163	33.0

Western Cities

	October, 1919	Change	%
Winnipeg ....$	300,069,261	+$ 14,162,931	4.9
Vancouver ...	66,791,366	+ 16,882,570	33.8
Calgary	43,889,651	+ 9,447,076	27.4
Edmonton	24,454,704	+ 8,381,800	52.1
Victoria	11,860,501	+ 2,982,030	33.5
Regina	26,801,665	+ 1,633,194	6.4
Saskatoon	11,294,553	+ 874,802	8.4
Moose Jaw ...	9,531,641	— 331,925	3.3
Fort William..	4,800,392	+ 352,225	7.9
Brandon	4,525,113	+ 916,592	25.4
N. Westminster	2,992,833	+ 603,055	25.2
Medicine Hat..	2,844,583	+ 273,788	10.6
Prince Albert..	2,102,238	+ 535,191	34.1
Total, West...$,	511,958,501	+$ 56,713,269	12.4
Grand Total..	$11,725,811,557	+$358,194,432	26.2
Lethbridge....	3,781,253		

DOMINION

A branch of the Dominion Bank was opened at Harrow, Ont., on the 4th inst.

TORONTO

The Bank of Toronto has opened a branch at Graytown, Sask., under the management of P. A. Moodie.

HAMILTON

The Bank of Hamilton announces the opening of a new branch to be known as the "Eagle Place Branch (corner of Huron and Port streets), Brantford," in charge of R. M. Burns, who has been appointed accountant with authority to sign as pro-manager. This branch is a sub-branch of the bank's Brantford office, of which C. L. Laing is manager.

MERCHANTS

The Merchants Bank of Canada has acquired 50 feet on Grenville street, Vancouver, south of Robson street. It is the intention of the bank to erect on this property a modern banking premise as soon as existing leases expire.

H. H. Hamilton, manager of the Fort William branch of the Merchants Bank, has been transferred to Montreal, where he assumes the position of chief accountant.

A branch of the Merchants Bank has been opened at Corunna with L. J. McClarty temporarily in charge.

MONTREAL

The Bank of Montreal announce the following appointments: R. W. Hall, acting manager at Sioux Lookout, appointed acting manager at Cainsville; R. C. Mitchell appointed acting manager at Greenspond, Nfld.; R. L. Curphey appointed acting manager at Hull, Que.

COMMERCE

Sir John Aird, general manager of the Canadian Bank of Commerce, has returned from a short visit to Great Britain. He was accompanied by A. R. Phipps, assistant manager of the bank's London office, who will be in Canada for a few weeks.

J. A. C. Kemp, recently appointed chief inspector, head office, of the Bank of Commerce, was at one time assistant manager for the Bank of Commerce in Montreal, later assistant inspector for the Eastern Townships division, and until recently has acted as second agent for the Bank in New York.

STERLING

A new branch of the Sterling Bank has been opened at Marlbank, Ont., with R. S. Bailey in charge.

W. L. Bishop, accountant at the Goderich branch, has been transferred as manager of the branch at Dungannon.

G. M. Phemister has been appointed accountant at Goderich branch.

W. A. Ross has been appointed accountant at Uxbridge, Mr. Moore, who was teller there, having been transferred temporarily to Port Credit to fill the vacancy caused by the absence of A. E. Hawke, who recently met with a serious motor car accident.

S. M. Wickens, manager at Sebringville, now manager at Hensall, filling the vacancy caused by the resignation of Mr. Ewen.

The Jordan Station branch has a new acting manager, T. A. Mitchell taking over the duties of Manager E. L. Brown, who was transferred to Toronto for other work.

HOME

C. O. Beatty and A. B. Anderson, both of the Toronto branch of the Home Bank, have been transferred to the new Windsor office of the bank.

H. J. Doyle, of the Alliston branch, has been transferred to the Toronto office, while K. B. Chard assumes duties as acting manager of the Coboconk branch.

L. F. Ashton has been transferred from Calgary to the Cabri branch.

F. C. West, who enlisted for overseas December, 1915, and returned to Canada April, 1919, has re-entered the service of the bank as accountant at Calgary.

W. H. Kumpf, from the Church street, Toronto, branch, goes to Coboconk as teller.

R. H. Wilson, from the Moose Jaw branch, goes to Cabri.

C. R. Charlton, who returned from overseas in October, is on duty as accountant at Walkerville.

A branch of the Home Bank has been opened at St. James, Man., under the management of T. Lapraik, of the Winnipeg office. St. James is a suburb of Winnipeg, on the city's main thoroughfare, Portage avenue.

UNION BANK

With 30 on the staff and everyone subscribing, the Calgary branch of the Union Bank of Canada was first to win the Prince of Wales honor flag in the Victory, 1919, loan campaign.

Fire last week did slight damage to the Union Bank building at The Pas, Man.

Harold Perkins, returned from military service, has been attached at the Toronto branch.

C. S. Moulds, Military Medal, of the Ottawa branch, had the distinction of being decorated by the Prince of Wales during his visit to Kingston.

Miss M. E. Harper, of Kinburn, has been appointed teller-accountant at Pakenham, and G. A. Dummert, of Pakenham, succeeds to the vacancy at Kinburn.

J. W. Quenneville, Montreal, has been appointed acting manager at Kenogami, Que.

W. W. Barry, for seven years manager at Russell, Man., has been transferred to Yorkton, Sask., as manager.

H. Chapman, manager at Piapot, Sask., is leaving for Japan to enter the service of the Park-Union Foreign Banking Corporation in the Orient.

The Union Bank of Canada announces the following staff changes:

Managers—T. B. George, Carstairs; C. G. Webb, Waskada; A. P. Thomson, Crystal City.

Acting Managers—A. N. Gill, Kenogami; L. L. Lewis, Angusville; J. E. Macadam, Airdrie; J. N. Neilson, Westport; D. S. Wadleigh, Palmer.

Accountant-in-charge—C. L. Dickinson, Burritts Rapids.

Accountants—N. H. Vicq, Cupar; J. M. Roberts, Brampton.

Acting Accountant—J. A. Arnott, Winnipeg, Selkirk and Salter; B. A. Evans, Qu'Appelle.

Teller-Accountant-in-charge—S. J. Lamey, Belleville.

Teller-Accountant—F. T. Boland, Blenheim; H. H. Cameron, Alida; W. L. M. Chapman, Foremost; D. B. Fraser, Winnipeg, Main and Lansdowne; A. A. Grimes, Macrorie; K. Kennedy, Vancouver, Cordova street; D. R. Meston, West Lorne; R. C. McQuay, Alix; C. K. Overland, Caledon; L. C. Pattrick, Erin; R. K. Runnels, Winchester; A. J. Uhrich, Ottawa, Somerset street.

Acting Accountants—L. I. Armitage, Palmer; P. C. Montalbetti, Blairmore.

BANK OF ENGLAND.

London, Nov. 6.—The weekly statement of the Bank of England shows the following changes:

Total reserve, decreased	£1,600,000
Circulation, increased	1,675,000
Bullion decreased	53,655
Other securities, decreased....	219,000
Public deposits, decreased....	2,922,000
Other deposits, decreased......	6,519,000
Notes reserve, decreased	1,664,090
Government securities, dec....	7,442,000

The proportion of the bank's reserve to liability this week is 15.80 per cent.; last week it was 15.83 per cent.

Rate of discount, " per cent.

NEW YORK FUNDS TOUCH FOUR PER CENT. THIS WEEK

Highest Rate Recorded in Some Time is Noted on Week's Record

STERLING FIRM

Francs Show Weakness, Resulting From Not Very Satisfactory Conditions in France

A stronger market for New York funds was in evidence this week and the rate went over the 4 per cent. mark for the first time in weeks. Even the further reports of large extensive buying of Canadian Victory Bonds by United States investors failed to ease the market, and a shade less than 3¾ was the lowest figure noted for the week. On Friday the rate continued firm and opened at 4 3-32.

Sterling had a good week and was subject to no violent fluctuations downwards such as have characterized its movements for some time. The success of the British loan floated by the Morgan Company helped to keep the rate firm.

The unsatisfactory condition of French finance was reflected in the market for francs, and the rate went down during the week to as low as nine francs five centimes for the dollar. It looks like a long pull for higher francs.

The Week's Record

Fluctuations in New York funds during the week have been as follows:

October 31.—The market rate for New York funds at the opening was 3¾, which advanced through gradual stages to 3 27-32, closing downwards at 3 25-32.

November 1—Funds opened at 3 23-32 and closed at 3 13-16.

November 3—New York funds opened at 3 13-16, and closed up at 3 31-32.

November 4—Funds opened at 3 15-16 and closed at 3 27-32.

November 5—New York funds continued their up-grade movement and opening at 3 3-32 went over the 4% mark, closing at 4 1-16.

November 6—Funds opened at 4 1-16, weakened 1-32 of a point and closed up to 4 1-16 again.

Sterling and francs have shown the following rates:

	Demand, Sterling	Cables, Sterling	Demand, Francs	Cables, Francs
Oct. 31	4.16	4.16¾	8.86	8.84
Nov. 1	4.16	4.16¾	8.85	8.83
Nov. 3	4.16	4.16¾	8.85	8.83
Nov. 4	Holiday—election day.			
Nov. 5	4.16	4.16¾	9.05	9.03
Nov. 6	4.15½	4.16¼	9.00	8.98

TORONTO BANKERS' EDUCATIONAL ASSN.

A Modern Plan For Distributing the Many Benefits of Education

From the Journal of the Canadian Bankers' Association.

The world just now is full of demands for education, and it is full also of the question "What is education?" An essay on "Education, Social and National," by Mr. A. E. Zimmern, is full of interesting thought on the subject, and of his many suggestions we quote one paragraph:

"Anyone who has ever sat at the feet of a great teacher, either at school or in the university, knows what education is like. But that does not make it easy to define. It is not the storing of the mind with information; it is not the love of knowledge in the search for truth; it is not the training of the judgment or the acquirement of a mental discipline; it is not the strengthening of the will or the building up of character; it is not even the forming of friendships based on that deepest of bonds, a common ideal and a common purpose in life. Education is something compounded of all these, but greater and deeper and more life-giving. One of the most striking definitions is perhaps that quoted by Dr. Parkin in his 'Life of Thring,' the famous headmaster of Uppingham School: 'Education is the transmission of life.' Yet even this is not quite satisfying. Education is, indeed, as high and broad and deep as life itself. Yet it is not life itself, but life with a difference. It is not simply experience, but experience interpreted. Wordsworth, in a wonderful phrase, defined poetry as 'emotion remembered in tranquility.' Poetry, as he knew, is not born amid the pomp and circumstance of experience, in crowded hours of glorious life; she is the still, small voice of the soul, speaking in the quiet after the storm has passed. So it is with education. It is not experience itself, but the effort of the soul to find a true expression or interpretation of experience, and to find it, not alone, but with the help of others, fellow-students: for without common study—such as in a school or university—there may be, indeed there is life and honest thinking and the free contact of mind with mind, where thought leaps out to answer thought and there is the sense of the presence of a common spirit, there, even if but two or three are gathered together, whether in a well-appointed building, paid for out of rates and taxes, or in a squalid upper room, or in a primitive club house, or in a railway carriage going to work, or on the veldt under the stars, or at a street corner in an industrial town—there is a gathering of students and the nucleus of a university."

It is in this spirit that a Bankers' Educational Association has been formed to enable such among the staffs of the banks in Toronto who wish it to join in a common educational effort. When the suggestion of undertaking a serious effort that must absorb a considerable amount of leisure was conveyed to the officials of the banks, it was felt by some that the response might be disappointing. The result has been quite the reverse, and the demand for membership in the classes projected is already larger than can be satisfied. It is hoped, however, that the requirements of some 300 students can be met, and it is expected that the work will begin about the end of October. The university as a body, and the professors who will have to work many extra hours to meet this new demand on their time and strength, have responded most generously. The movement starts with every favorable augury. Mr. Zimmern has put most aptly the spirit in which this enterprise must be undertaken, but it remains to consider what, among the many forms of study, are the best suited to us here.

Perhaps the best way of illustrating the reasons decisive in the selection made is by thinking for a minute what questions are the most obvious ones that a young man would naturally ask himself if he, as it were, suddenly wakened up. We think he would ask himself, in the first place, how he came here, what he was doing here, and what all this social organization of which he found himself a part means. The causes of the migrations westward, of which our society and that to the south of us are the product, lie deep in history, and it is to history that we must go to find out what they mean. The religious disturbances of the seventeenth century, and the revolutions, industrial and political, of the eighteenth century, were active not only in drawing people across the ocean, but in deciding the form that the society which they have planted here was to take. Very few of us, we fancy, think every much about government, and yet surely it is a very vital thing that a man and a citizen should have a clear idea of what government means and how it is done. The framework of society is set among the rivers and valleys of this great continent, and its riches and its powers to extend depend on the distribution of the resources that nature has provided in great richness and variety, but in what sometimes seems curious and eccentric distribution. All this setting has to be studied if we are to understand not only the form that our economic and social structure has taken, but the proper direction of future developments.

Last but not least, and constituting in themselves a very important element in the economic life of the community, are the banks and the financial institutions that exercise so much power in the direction of industry, and for the bank official the study of these elements must be recognized as essential for his education.

If the students in this sort of Bank University can cover this ground with reasonable accuracy in two or three years, they will not, we venture to think, feel that their education is completed, but they will have acquired much happiness as well as knowledge, and will have drawn in to themselves a spirit of thoughtful observation that will enrich their lives and multiply many times their value to themselves, to the banks and to the community.

BANK STOCK CHANGES

	Last Oct. 30	Sale Nov. 6	Change
Commerce	197	197¾	+ ¾
Dominion	205	205¾	+ ¾
Hamilton	195	195½	+ ½
Imperial	197⅛	198	+ ⅞
Merchants	191	188	— 3
Molsons	190	192	+ 2
Montreal	210½	210	— ½
Nova Scotia	272	273	+ 1
Royal	215½	215½	....
Standard	211¾	211¾	....
Toronto	197	197	....

STANDARD

The Standard Bank of Canada has opened a branch office at Williamsford, under the management of G. N. Woodie.

THE STERLING BANK OF CANADA

The service rendered the patrons of the Sterling Bank cannot be estimated in dollars and cents. It is an inherent part of our policy.

Will Anyone Else Do?

In placing a Long Distance telephone call, users sometimes ask to speak to *a particular person* in the distant city, whereas it would serve their purpose equally well to talk to anyone else at that person's telephone or in his office.

"Particular person" long distance service takes from 2 to 5 times as much circuit time as a call from telephone to telephone, and the operating labor is much greater.

Oftentimes, of course, "particular person" service is necessary. *We suggest, however, that where possible when placing a long distance call you tell the operator that "anyone at that number will do."*

The saving of time is worth while

The Bell Telephone Company of Canada

NEWS AND VIEWS FOR MANAGERS

HEAD OFFICES ARE STRONG FOR PUBLIC SERVICE

Believe There is Little Ground For Exchange Complaints

VIEWS OF MANAGERS

Think Incident Referred to Was Result of Ignorance or a Distorted Conception Of Duty

The discussion of the question of the treatment of bank customers in the matter of exchange premiums on American funds continues to hold interest in banking circles, and I have received a number of further statements from branch managers and high officials. Let me say again that from no source is there any intimation that it is probable—or possible for that matter—that managers have been taking something for themselves. However—and this despite surprise expressed by at least one general manager and one superintendent—I am convinced that in some cases there has been a tendency to consider small premiums when not demanded as part of the day's banking profits. This is no matter for surprise. The point is, however, that such is the tendency to-day for the people to complain about the corporations and big business in general that it is a short-sighted policy to allow any small transaction to give ground for such complaints. On the other hand if definite charges can be met effectively it will help to clear the air. It will be noted, therefore, that elsewhere in this issue definite particulars of any complaint about bank service are asked on the understanding that The FINANCIAL POST will see that they are thoroughly investigated.

From Official of C. B. A.

In addition to the statements which have been received from various individual banks, the following, being from an official of the Canadian Bankers' Association, may be regarded as having a general bearing upon the matter:

I am quite sure that the general practice of the Canadian Banks is to allow their customers a proper premium on American funds. It may be that in remote cases—owing probably to oversight or lack of proper knowledge of existing rates—managers have failed in this respect, but I am satisfied that such instances are most infrequent and they are certainly contrary to the usual banking procedure.

The accusation which I understand has been made that managers have at times personally benefited through exchange transactions with the public is, in my opinion, unjustified and an unfair reflection on the integrity of banking representatives throughout Canada.

Yours faithfully,

No Excuse for "Gouging"

As previously stated, some officials expressed surprise that there were any such complaints as those which were printed in this column. However, the majority apparently saw what I was endeavoring to bring home in the necessity for satisfying the customer at all times. Here is a frank communication from the West from an official who is very closely in touch with his field:

"There is no excuse to be offered for 'gouging' a customer in the matter of exchange or any other matter. That it does sometimes happen is due to the stupidity or trickiness of an occasional bank mangaer.

"The difficulty will not be entirely eliminated until the Head Office of every bank is at pains to preach to its branch managers the doctrine of a 'square deal' to customers as an absolute requirement. At present I am afraid some of the banks proceed on the assumption that their branch managers thoroughly understand this, and experience shows that the assumption is not a safe one."

Preventing Complaints

On the other hand there are cases where careful and definite instructions have evidently been given to managers to see that the customer got full credit for his exchange premiums. Following is from the letter of the general manager of a bank with headquarters in Montreal:

"One reason why we have escaped criticism and misunderstanding is that when the premium on New York funds became a necessary evil, we circularized our managers, very thoroughly explaining the cause and making it very clear to them how impossible it is to avoid the premium charge where we are selling and emphasizing the necessity for allowing the premium to those who were in a position to deposit American cheques or cash. This has enabled such of our managers as were, perhaps, not very familiar with the subject to fully explain the situation to our clients and thereby avoid friction and complaints such as you refer to."

Another communication of similar character came from Winnipeg:

"It is the practice of our exchange department to send out rates for the guidance of managers as often as the changes of the market warrant. Of course, you will readily understand that in the rapidly fluctuating market it is difficult to keep pace with it, but the practice is to keep the branches informed as closely as possible to enable them to give fair rates over the counter.

"In this way a customer or client should get the benefit of the prevailing rate less a reasonable allowance for cost of handling. It is of course, conceivable that on very small amounts the premium would not be sufficient to cover an ordinary commission, but I take it that this is not the subject of complaint, but that on the reasonably large amounts the public is not receiving the benefit of the premium at present prevailing.

"In view of the instructions to our branches and the competition between banks, I find it difficult to understand how the practice can exist to such an extent as alleged and we would desire to have any specific cases of unfair charges brought to our attention."

A number of communications have also come to hand from branch managers. These indicate that the complaints referred to must have been exceptional cases—the result of ignorance on the part of the branch in question or the result of a distorted conception of its duty to the public and to the institution itself, as one manager put it.—J. W. T.

ADVISES MANAGERS TO JOIN GRAIN GROWERS

Vere Brown, of Bank of Commerce, Strongly in Favor Of This Course

Should the bank manager join the Grain Growers' organization? This question was raised in this department two weeks ago, and the answer given by a manager of a prairie bank was in the affirmative. He argued that the manager should take every possible method of making friends. In addition to extending to managers generally an invitation to express their opinions on this matter I wrote to Vere Brown, superintendent of Central Western branches of the Canadian Bank of Commerce, for his views. Mr. Brown is one of the best authorities on Western conditions in Canadian banking, and his answer is a strong endorsation of the attitude of the correspondent of two weeks ago. His reply on this point could be no better expressed than by quoting from his address on "The Western Farmer and the Bank," given before the annual convention of the United Farmers of Alberta at Edmonton in January last, when he so effectively replied to the advocacy of local banks by J. W. Leedy:

"I am a stranger in your midst except for the fact that I have a few good friends among your council, but I should like to be able to claim to be among friends, for I am one of those who rejoice in the great and growing strength of the Western farmers' associations. In view of what Mr. Leedy said this morning about the attitude of some of the business interests toward the members of the Grain-Growers' Associations I make that statement with all the emphasis I can, and, that you may know it is no mere empty phrase, I want to tell you that the managers of the corporation with which I am connected are under instructions that they are to join the membership of the Grain-Growers' Associations wherever those associations will allow them to do so, and, not only are they to become members where you will permit, but we have enjoined them that we expect them to take an active interest in the affairs of your associations so far also as you will permit it. I am proud to be able to tell you further that three or four of our Alberta managers have the honor of being directors of your locals."

If branch managers are not unanimous on this point it would be interesting to have contrary opinions or views generally regarding the field of the manager outside of regular bank routine.—J.W.T.

PROFITS IN SUGAR

Cuban Producers Will Benefit From High Prices

NEW YORK—The strength in sugar producing company stocks is a reflection of the advancing price of new crop Cuban raw sugar, which indicates large profits for the sugar companies next year. Leading Cuban producing companies that will share in this prosperity include Cuba Cane Sugar Corporation, Punta Alegre Sugar Co., Cuban-American Sugar Co., Guantanamo Sugar Co. and Manati Sugar Co.

BANK GIVES CUPS FOR CLUB CONTESTS

Pleased with the work being done by the boys' and girls' clubs in the Weyburn district, according to the Weyburn "Herald," the Union Bank of Canada is donating three silver cups for competition in the club contests. J. S. Hiam, superintendent of branches, in a letter to A. Kennedy, M.A., school inspector, says: "I can assure you that the Union Bank of Canada is heartily in accord with community development work and our 381 local bank managers throughout the Dominion have been requested to take an active interest in all matters pertaining to the general welfare of their district."

BUSINESS COURSE FOR EMPLOYEES OF UNION BANK

Educational Opportunity for All Members of the Bank's Staff

ALL EXPENSES PAID

Managers Are Particularly Asked to Get the Interest of All Clerks and to Consider Advantages

Canadian banking institutions are taking an increasing interest in higher banking education in its relation to their staffs, and it has just become known that the Union Bank of Canada has designed a programme which provides for the free tuition of every member of its staff who wishes to avail himself of the offer. The course to be followed will be the Associates' Course of the Shaw Correspondence School and the Fellows' Course of Queen's University, both of which are under the immediate supervision of the Canadian Bankers' Association. Treating with this new educational programme, in the November issue of the Union Bank Monthly, J. H. Hodgins, manager of the Statistical Department, says:

The other day in New York City, Thomas W. Lamont, one of the partners in J. P. Morgan & Co., and himself an outstanding example of a self-made man, made a striking plea for trained men in this age of specialists.

"Those of you interested in industrial manufacture," said Mr. Lamont, "would never dream of allowing the physical equipment of your plants to run down. Yet all America is allowing the physical equipment of its brain plants, the most important factories that could be imagined, to run down at the heel."

Mr. Lamont pointed to the huge losses of young men abroad. In France alone he said 57 per cent. of all the officers and men between the ages of 17 and 31 had lost their lives. In England much the same condition obtains. Thus, he argued, "upon America"—and we would add "including Canada"—"will fall the burden of supplying the world with trained young men who will be the future leaders."

It is particularly appropriate that at this vital time the Union Bank of Canada should embark upon an educational campaign such as was outlined in the recent head office circular over the signature of F. W. S. Crispo, assistant general manager. It has been realized for some time by many large financial and industrial corporations that for any business enterprise involving a personnel which runs into the hundreds and thousands—as does the staff of the Union Bank of Canada—that a well-formulated educational program is one of the essentials of sound organization.

The size of our banking enterprise, making necessary a considerable number of individual departments, and a staff scattered over more than 380 branches across Canada, makes it increasingly vital that a well-designed policy of education should be entered upon and generally made use of by the men in our service.

Systematic Training

Simultaneously with our efforts to assist the staff in an educational way that well-rounded-out institution, the Guaranty Trust Company of New York, is furthering its pre-war plans for continued training of its employees. In this connection I may make use of the following quotation: "It is a conviction of the Guaranty Trust Company that every officer and every employee should be constantly growing and that upon this growth in knowledge and power depend both the welfare of the individual and the whole success of the company. There is a plain need, then, that a man's daily work should be supplemented by some carefully planned course of training, in order that the value of his services may increase with the continued development of his powers. While every man is primarily responsible for his own development there is much that can be accomplished by the organization of a systematic plan of training."

Having these truths in mind it becomes increasingly evident that too much stress cannot be laid upon the crying need for further training in the lines of our particular endeavor.

Co-operation of Managers

It is earnestly to be hoped that the branch managers will impress upon their staffs the facilities which the proposed banking courses open to the young men. And not only to the men who are young in years and young in banking experience. Seasoned branch managers will immediately sense the benefits which must accrue to them in the studies which they would pursue while undertaking the Fellows' Course.

Says the head office circular: "As a rule junior officers should first take the studies and pass the examinations for the Associates' Course; senior officers, such as senior accountants and managers, would probably prefer to take the Fellows' Course."

Mr. Crispo has remarked that "in paying the expenses of the candidates the Board is acting very generously and it is expected that any member of the staff who enters upon these courses will faithfully perform his or her part and study diligently." It is indeed a generous offer of the Directorate, but it is possible to have the measure of the final results so eminently satisfactory, both from the standpoint of the individual and of the bank, that the actual monetary outlay by our institution will come to be considered as more than worth while.

There are values received which may never be reckoned in dollars.

STRIKE HOLDS UP SUPPLIES OF SUGAR

St. Lawrence Company Explains Situation and Asks Ottawa to Act

OTTAWA.—An interesting phase of the sugar scarcity was brought to the attention of the Canadian Trade Commission this week. For the past two weeks there has been a cargo of 6,000 tons of San Domingo sugar, owned by the St. Lawrence Sugar Refining Co. and destined for Canadian use, lying at New York and delayed there on account of the stevedores' strike. It is claimed the Canadian owners, through their brokers, attempted to dispose of some of it to American consumers at four and a half cents over the legal price allowed by the United States Government. Thereupon the Federal Food Administrator threatened to seize the shipment.

The St. Lawrence Refining Company's Montreal office got in touch with the Trade Commission here immediately and explained the matter, requesting intervention on the part of the Canadian Government with the Food Administrator. The company explained that the cargo was all free sugar and not subject to interference on the part of the United States officials in any way, and, moreover, although they had offered a small quantity of raw sugar, they had done so after consultation with the United States Sugar Equalization Board. It was the intention of the St. Lawrence people to cover the sale of the sugar offered in New York by the purchase of an equivalent amount of British West Indies sugar.

Business Co-operation

THE Bank of Toronto is always ready to encourage healthy business expansion, and offers the necessary financial backing to young men starting in business and to sound business ventures of reliable firms.

It is in the spirit of co-operation that The Bank of Toronto offers its facilities to Canadian business men. Our organization embraces departments for the transaction of every form of banking business.

THOMAS F. HOW, General Manager

THE BANK OF TORONTO

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RALPH CONNOR

On "The New Canada and Its Needs"

RALPH CONNOR, the famous Canadian novelist, who served for several years at the front and saw the war from many angles, is convinced that Canada must be prepared to make important changes if she is to profit by the lessons of the war. He has written a series of articles embodying his views and calling vigorously on patriotic Canadians to awake to the needs of the hour. The articles, which deal with economic, social and Imperial topics, were written for MACLEAN'S MAGAZINE and the first appears in the November issue, under the title: "The New Canada and Its Needs."

Every Mother Who Lost a Son at the Front

will read with deepest feeling Nellie McClung's wonderful story, "Men and Money," which also appears in November MACLEAN'S. Mrs. McClung wrote this story with a purpose—to show the ease with which the world forgets the contribution these mothers made. But it is also a very fine story—real, human and gripping.

"The Idle Hands at Ottawa"

By J. K. MUNRO

The recent session of the Dominion House was in many respects an idle one. There was not a great deal done, so the members had a lot of time to stir up things, and the result was some hugely interesting political situations. All of which J. K. Munro tells about in his usual unsparing and tersely humorous way.

Remarkable Features of a Remarkable Number

The November MACLEAN'S is cram full of other big features—famous writers on vital subjects and everything Canadian. Look over this list:

Baroness Orczy.—The author of "The Scarlet Pimpernel," best seller of best sellers, is represented by a serial story, "His Majesty's Well Beloved."

Robert W. Service.—The great poet of the Yukon and the battlefront contributes a strong poem, "The Outlaw."

Basil King.—This great novelist who lives abroad contributes an interesting discussion on "Why I Remain a Canadian."

Janey Canuck.—An article on Mrs. Murphy's experiences as the first woman magistrate in the whole of Canada.

Camilla Kenyon.—A new novelist who promises to become a great favorite, tells a humorous story of adventure, and treasure, "Spanish Doubloons."

Stephen Leacock.—A humorous sketch entitled, "My Memories and Miseries as a School Master."

"Two Men and an Idea That Grew and Grew and Grew."—By Charles Christopher Jenkins.—A sketch of two remarkable and practically unknown Western Millionaires.

"A Little Bit of Chicken Feed."—By Allen C. Shore. A bright story combining love and business themes.

"The Rainbow Death."—By Madge Macbeth. An intensely interesting detective story.

"The Search for Missing Men."—By Gertrude Arnold. An article on hospital experiences at the front by a young Canadian V.A.D.

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starting February 1st, next year. An important point to remember. If you want to keep up with things nationally Canadian, you'll have to get the MACLEAN'S Twice-A-Month habit.

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TORONTO, NOVEMBER 8, 1919

THE LESSON OF THE STANDARD RELIANCE

THERE is a lot of common sense in the saying about the futility of locking the stable door after the steed is stolen—but if there are other horses in the building it puts an entirely different complexion on the case. The investigation of the affairs of the Standard Reliance Corporation promises to do little for the shareholders and depositors of that institution. On the other hand, as there are many other loaning organizations doing business, a thorough inquiry should have its benefits in proving the stability of the great majority of these companies and perhaps in giving some hints as to how the public interest may be better safeguarded in the future. The more far-reaching the investigation the better; nothing should be permitted to prevent all the real facts coming to light.

The opinion has several times been expressed in these columns that had the provincial authorities shown earlier in its career a fraction of the energy now displayed for investigating the company the collapse would never have occurred. This corporation should never have been permitted to go into real estate speculation on such a scale. An effort has since been made to make it appear that there was a lack of protective legislation from the standpoint of the shareholders and the public. This can be regarded as a political smoke screen. It was not a question of new legislation but of enforcing the old.

Aroused by the Reliance affair, amendments to the act governing loan companies have been made, but they will be no more effective than the former provisions if no better enforced. The mere collection and publication of a lot of detailed statistics will do no good if there is no attempt to analyze their meaning. The need is for a practical official supervisor who, with a thorough understanding of loan company operation, will be able to demand a businesslike statement which will reveal in a practical way how things are going. The time to take action is when there is the first indication that things are not as they should be.

There is a lesson for the provincial administration in the Standard Alliance affair. It may have more effect upon the new Government than it appeared to have upon the old.

CAUSE AND EFFECT AT LONDON

THE Peterborough *Review* reprints the following from the London *Advertiser*:—

"Laments have been heard in some quarters, both in and out of London, for the defeat of Hydro's chief. But there is a sort of diminuendo in these plaints. A feeling probably works through the minds of Sir Adam's own followers that adversity is good medicine for the autocratic tendency, particularly in a free country.

"Despotism even of the most parental kind is an anachronism in the twentieth century. The 'good master' idea is out of date. Democracy, which is government by as well as for the people, is the reasonable modern ideal of intelligent men. We don't want a 'good master' in Ontario. We want good servants in our public life."—London "Advertiser."

The *Review* accepts this as plain talk from "an influential newspaper published in Sir Adam Beck's home field," and an answer to those who, "in circles remote from London," are wondering why Sir Adam Beck was defeated. The *Review* then goes on to explain some features of the situation with which it is evidently well acquainted:

"The 'Advertiser" explains when it speaks of autocracy. By the very people who know him best Sir Adam has been rebuked.

"Really, after all, there is nothing to wonder at in the defeat of a man who took over a bankrupt steam road running from London by way of St. Thomas to Port Stanley, on Lake Erie, rebuilt it and operated it at a loss in opposition to an already established line that was giving satisfactory service. When he had reduced the private line to bankruptcy and had the field to himself he raised the rates on the public line higher than the defunct company had ever charged. Any man almost is able to achieve wonderful business success when he has sufficient resources behind him to crush to death all competitors.

"Sir Adam Beck bought a park at Port Stanley for a public playground. One of the men interested in that park before it became State property had just completed a pavilion that cost $1,700. He had a five-year concession. Sir Adam offered him $800 for his building and concession. When the owner demurred he was told he could take the offer or leave it. When he refused Sir Adam threatened to build another pavilion close to his own and run it for nothing until the other would be forced to quit. Of course, the man in a corner had no alternative but surrender.

"Public ownership is not, in theory at least, supposed to leave a trail of bankruptcy behind it."

The above opinions are reproduced for the benefit of those "in circles removed from London," and particularly for those who may have been inclined to place any measure of confidence in the claims of the public ownership press that the big corporations wrought Sir Adam's defeat. Every advice from London on this question has been a denial of the report—if such were required.

The London election was a matter entirely in the hands of the people of London. Any move on the part of outside interests to wield influence would have been at once discovered and would have been relished about as much as the well-meant advice of the stranger who interferes in a family row. It would have meant victory for Beck.

Besides Sir Adam is still chairman of the Hydro and his position on the commission was not at stake in the election. Further, it seems altogether likely that his organization of municipalities will have sufficient influence to get him another seat. "Therefore, as we have previously pointed out, if the Hydro is facing a new era it is not because of the defeat of Sir Adam Beck in London, but because of the defeat of the Hearst administration in Ontario. It cannot be expected by public ownership supporters that a new Government will lend support to schemes involving—in Sir Adam's figures—about $200,000,000 in addition to that now spent without some practical investigation as to the liability of the province.

JUDGE GARY'S STRONG POINT

THE position taken by Judge Gary, head of the United States Steel Corporation, in favor of what is termed the "open shop," is based upon equality of rights and freedom of action without any class distinction, and it seems unfortunate if the American Federation of Labor, particularly after the experiences it has been having with foreigners, is not prepared to accept it. Judge Gary expresses a "fixed opinion" that there should be no arbitration or compromise for settling the American steel strike, because he believes in the open shop principle, that every man, whether a member of the union or not, should have the opportunity to engage in any line of legitimate employment on terms and conditions agreed upon between employee and employer. He states that he has no objection to labor unions for a common interest and believes in the means of consultation and reaching satisfactory terms between employers and those employed. He will not, however, he says, have a powerful outside organization, with more of a centralized autocratic power than one of individual rights, exerting dictation or control over employers in various lines of industry.

This stand, he claims, is the very basis of democratic government, of government for the people by the people. Admitting fully that laws that may have been framed in the past, either for national government or for bodies of men in various trades, may have become obsolete owing to changing conditions, he holds that the remedy lies not in violation of the existing laws, but in their revision, always keeping in view the principle of equal rights. Constitution and laws are necessary to such a system, he holds, and without them any country will drift into the chaos that has demoralized Russia.

Judge Gary intimates that he is fully prepared to stand firm in his attitude indefinitely, because he believes it is the only basis on which permanent relations between capital and labor can be worked out.

EDITORIAL NOTES

THE Labor faction in the new Ontario coalition seems to be endeavoring to find out whether the tail can actually wag the dog.

* * *

ONTARIO'S Premier-to-be, E. C. Drury, undoubtedly did not stop to consult his Labor colleagues when he framed the opinion expressed at Orillia that wages would come down.

* * *

EX-PRESIDENT TAFT has, according to B. C. Forbes, turned down a $50,000 a year job. Mr. Taft is one of the few men who has succeeded in the difficult accomplishment of maintaining a prominent role on the stage of public affairs after moving out of the political spotlight.

* * *

THE *Grain Growers' Guide* comes close to taking the I-told-you-so attitude with regard to the election results in Ontario. It must have been a case where distance lent enchantment to the U.F.O. chances, because those who were able to obtain a close-up were not able to observe any indications of the victory obtained at the polls.

* * *

THE Toronto *Star* sees in the new Ontario coalition the joining of two wings of a new movement. In politics, as in bird-land, it may be possible to soar high with two wings, but it must be remembered that the wings must be controlled by one mind. The question which remains to be answered is whether one mind can long continue to control a body with the U.F.O. and Labor as wings.

* * *

WORLD production shows that many people are doing less. World wealth indicates that big profits have been made. But looking for the man who will acknowledge that he is lazy is like hunting for that other chap who is willing to assume the title of profiteer. In both cases he is the other fellow.

* * *

A REPORT from Winnipeg is that the Federal Government is being asked to arrange to issue checks for all chartered banks which will bear the two cent stamp. This would evade the present difficulty that many checks are issued without stamps. When this matter is being considered it would be a very good time for the Committee on Inter-bank Routine to do something to inaugurate the uniform-size check form. This has been a matter long under consideration. Only those who have had banking experience can understand the present difficulties of handling "paper" money of all forms and sizes.

* * *

GOVERNMENTS love life, and when the Unionist administration at Ottawa stakes its existence upon an issue, as it has done upon the gratuity matter, it may be taken that there are real reasons. In brief, the Government would rather die without trying to finance the gratuity demands than end its existence endeavoring to accomplish something which would not be good for Canada or Canadians, as a whole. Two thousand dollars would be little enough reward for those who went to France—and everything possible should be done for those who did—but if it would merely postpone an inevitable situation for the veterans as well as for everybody else it is another matter.

—Hanny in St. Joseph News-Press.

The only kind of striking needed just now.

A CANADIAN BOY HEADS WOOLWORTH ORGANIZATION

Continued from last week.

"We were confident that the tide of shoppers on Fifth Avenue would not flow past our doors if we stocked up with suitable merchandise. From the very first day, when forty-five thousand persons swarmed into the store, it has made money every time the doors have been opened. A great many rich people drop in and make, not one purchase, but a dozen or a score or more. They get a lot of things, for example, for their children. Also, it is not uncommon for philanthropically-inclined men and women to buy enormous quantity of five and ten cent articles for children's homes or nurseries or other charitable institutions.

"The main consideration, of course, is to stock each store with the kind of articles that are used in that particular locality. We sell thousands of sunbonnets in stores in agricultural districts, but we wouldn't expect a demand for them on Fifth Avenue. Nor would we load up on Fifth Avenue with the tin lunch pails and boxes which many miners use. Each store manager is given an entirely free hand to make his own selection of goods. We have a range of perhaps fifty thousand articles for him to choose from, but the average carried in each of our thousand stores is about seven thousand. It is his duty to know his trade and, since his pay is dependent upon his profits, it is of vital moment to him that he exercise discretion, and not find himself saddled with unsalable merchandise.

"I may say that we never go outside the ranks of our own organization for any employee whatsoever, above the rank of clerk. Every store manager, district manager, superintendent, buyer, etc., no matter whether he comes to us with a college education or a common school education, must start in as an assistant in a store. He must demonstrate that he is fit to manage a store before he is given promotion.

"We take great pains to keep in the closest touch with our force so as to spot talent. But once a man earns our confidence we give him practically free rein. Mr. Woolworth had very emphatic ideas on this subject, which he once expressed thus: 'When you put a man in charge of a branch of your business, leave him alone unless he asks for help. If your judgment was good in putting him there he will not ruin you, and he ought to be trusted. If your judgment is not good, you have no right to be in business.'"

The Central Idea

Time and again in course of our conversation, Mr. Parson returned to the central idea of the whole Woolworth structure—namely, maximum values at minimum cost. I asked him to tell in some detail just why Woolworth's could sell for ten cents many articles which cost a quarter, or even more, elsewhere. This struck a responsive chord, for Mr Parson feels that there is something more to the Woolworth business than mere money-making, that it has been a godsend to millions of families, that it has saved incalculable amounts for American homes, that it has in many cases improved, not to say revolutionized manufacturing processes by introducing large-scale, economical production, and that during the war its uncompromising stand against the raising of prices has done not a little to keep down the cost of living for the rank and file of the people. The Woolworth Building has been called, "The Cathedral of Commerce" The Woolworth men feel that they are preachers and practisers of the gospel of low prices and high quality, that they have been missionariees in ushering in a new order of merchandising which has been a blessing to the people.

"To begin with," said Mr. Parson, "all our thirty-two buyers are men we have trained, men who have pulled to the front by sheer, conspicuous fitness for the work; and they know exactly what our requirements are. Each handles only one line—glassware, or candy, or enamel ware, or dry goods, etc.—and can therefore concentrate all his attention upon his specialty, going anywhere he pleases either here or in foreign countries.

"These men are not simply buyers in the sense that the public thinks of a buyer. They are often creators of merchandise. They sense a demand for an article, or they take an existing article costing twenty or thirty or even fifty cents, study out how it can be produced most economically, take it to an alert manufacturer, go over the whole problem in detail with him, and experiment until the cost has been reduced to a point permitting of its sale at ten cents, or five cents, as the case may be. By turning a whole factory on to one article and keeping it going at full tilt all the wear round, wonderful economies can be effected by manufacturers. We do not manufacture ourselves. It is one of our fixed rules to stick to selling goods.

Made Good Profit

"One of our buyers thought it would be possible to sell for ten cents a genuine gold-filled ring which was catching on at fifty cents. The manufacturer laughed at the feasibility of the idea, and explained that he was already selling enormous quantities of them, 450 dozen in the previous year. The next year he made 720,000 rings, all for us, which we sold at a profit, and which netted him far more than he had previously received.

"One day the proprietor of a Western department store visited our Fifth Avenue place, as thousands of merchants visiting New York do every week. This merchant was astounded to find on one of our ten-cent counters little Japanese vases of exquisite pattern. He examined several of them microscopically, certain there must be flaws in each one, since he was selling them in his own store at seventy-five cents each. Our buyer had simply shown the makers how to reduce costs by making thousands where formerly they had made only hundreds.

"Mr. Woolworth used to go to Europe and do a great deal of buying. On one trip he took with him a penknife which had taken his fancy, and which was made by a German manufacturer from whom he had bought cheaper goods. He asked the manufacturer how much it cost him to make it. The figure was several times ten cents. 'If I give you a very large order, at what price would you let me have it?' 'Sixteen cents,' replied the maker. 'If I gave you an order sufficient to keep your factory going night and day for a whole year, what's your bottom figure?' The manufacturer did a lot of figuring, then replied, 'Eight cents.' 'Done,' said Mr. Woolworth.

Wouldn't Believe It

"At first nobody believed that phonograph records could be sold for ten cents. We saw an unlimited field for such an article, and we got busy. It was not long before we were selling almost half a milloan of them every month, and they are still one of our best sellers.

"The war naturally shut off our supplies of many goods, as we normally bought about an eighth of our merchandise from Europe. We wanted to get domestic supplies of a ten-cent iron toy previously obtained in Germany. An American manufacturer took up the problem in earnest, but finally declared that, no matter how large the order, he could not get production down to a feasible point. Our buyer went over his calculations with painstaking care and could find no chance for reducing anything until he reached the charge for painting. The manufacturer assured him his figure represented bed rock. Our buyer went into the factory, saw that rows of girls were painting toys with brushes, and grasped the solution in a flash. 'Leave off this little red stripe and this little yellow stripe and simply dip the toys in vats,' he instructed. We got the toy and the manufacturer got his profit.

Can't Get Dolls

"There is only one thing we haven't been able to duplicate here—dolls. No American manufacturer appears to be able to make a doll to retail at ten cents that is worth much. On the other hand Christmas tree ornaments, of which it is estimated we supply about half of all that are used in America, are now being made here better than they were ever made in Germany. The Germans blew them so thin that they were nothing but bubbles, and the loss through breakage was tremendous. The American product is just as beautiful and a great deal more substantial.

"For a time we thought we would be up against it in procuring crochet cottons, one of our large imported sellers, at ten cents a box. But we set an American mill on the job, and now a large plant has been built to supply us with crochet and embroidery cottons, of which we have sold in one year 2,250,000 boxes.

"Elimination of waste and conservation of by-products are far more important items in the aggregate than you would suppose. Waste material, such as paper and excelsior, is put through a baling press and brings us in more than one hundred thousand dollars a year. All our boxes, barrels, pails, and every sort of container, instead of being torn open in the usual way, are opened with the greatest care, so as not to spoil them for re-use. They are all sold to second-hand dealers and bring us in enough to pay dividends on two or three millions of capital.

On Cash Basis

"We have a system of paying for what we buy which is a real factor in lowering our purchase prices. We pay our bills at least once every week, and, no matter where a manufacturer is located, we send out his check so that it will reach him on Friday, so that he can have the money for his pay roll on Saturday. To many small manufacturers this is a very great convenience, since it means that, as he gets some credit when buying his materials, we practically finance him.

"We always pay cash, and as cash discounts average two per cent. the sum thus saved on, say, our current year's purchases of approximately $100,000,000, foots up to about $2,000,000. Our prompt-payment rule influences many manufacturers to do business with us, and this, combined with the magnitude of the orders we give, enables us to secure extra-favorable price quotations.

"The losses of the department stores through bad debts run into millions. We have no bad debts, since we sell only for cash. Bookkeeping incidental to charge accounts is a heavy expense item in department stores. We have no such cost. Delivery costs are terrific in the case of all large stores—simply terrific. We are subject to no such drain. The ordinary department store turns over its capital once or twice a year. We turn over our stock about seven times a year; hence, when you multiply even a very small margin of profit seven times in a year, you have a very satisfactory annual profit. When Mr. Woolworth conceived and built the highest building on earth he had very prominently in his mind the advertising value of the undertaking, and I may add that the effectiveness of this master stroke was a source of keen satisfaction to him, particularly because all his friends told him he was crazy, and that nobody would rent offices forty or fifty stories in the air—predictions that have been wholly falsified, for we have a waiting list of prospective tenants yards long, and the return on the $14,000,000 investment is quite satisfactory.

Their Best Customers

"Farmers are our best customers," was one surprising revelation made by Mr. Parson. "In North Dakota, for example, we do more business per head of population than in large cities. When a farmer comes into town to trade it is not at all unusual for him and his wife to spend five or ten dollars in one of our stores in the purchase of hardware, house-furnishing goods, curtains, oilcloth, picture hangers, picture wire, picture frames, cotton goods, cooking utensils, crockery, glassware and, in some cases, phonograph records, sheet music, and other things incidental to music, which, by the way, has spread enormously among the farming population within the last three or four years.

"One reason why country people, as well as city people, like to come into our stores is because they are never asked to buy a single thing. No floorwalker is stationed at the door to buttonhole you and ask what you want. This system of allowing the people full freedom to look around unmolested has worked out exceedingly well, for we make a point of displaying our goods to the best possible advantage, and a person who drops in to buy five cents' worth often picks out a dollar's worth in strolling from counter to counter.

Remove the Cause

"Yes, this displaying of so many small articles on counters where thousands of people pass, often in crowds, entails a certain amount of loss through pilfering. We figure upon a loss, from all causes, including breakages and thefts, of five per cent. from the time goods reach a store until their sale. Our scientific system of keeping records enables us to see exactly where losses rise above normal. We can tell which counter is having a bad record and, of course, we set about locating and removing the cause.

"We have found that employing private detectives is the worst plan of all for spotting pilferers. They fel that they are in duty bound to make an arrest, and when they make a mistake you have a nasty suit on your hands. The plan we have long used has been to place trusted employees in each store and tip them off when abnormal losses occur in any part of the store. They keep strict watch, and usually are able to spot the cause. If an employee of the store is guilty he or she is dismissed. The percentage of offenders among our own employees is very small.

"We attach great importance to courtesy. Mr. Woolworth not only long ago

Continued on page 11.

PERSONALS

J. PIERPONT MORGAN, whose father was born in Hartford, Conn., has given $50,000 to the Hartford Hosital, according to a cablegram from Mr. Morgan telephoned by his New York office to the treasurer of the hospital $500,000 endowment fund.

MARK WORKMAN, head of the Dominion Steel Corporation, has been spending a great deal of time in Nova Scotia of late, attending personally to the details of the new development work which his company is pushing around Sydney. Referring to Mr. Workman's enterprises, a Halifax paper remarks: "Mr. Workman is not merely one of the great human factors in the industrial life of the Dominion, but he is the head of the industry in Nova Scotia that is by long odds our greatest; a man of courage and vision, and ranks as one of the makers of modern Canada."

SIR THOMAS WHITE, it is announced, has been elected to the board of the National Trust Company. The announcement does not state that Sir Thomas will take any active executive position in connection with the company, but it will be remembered that prior to his appointment as Minister of Finance in 1911, he was general manager of the National Trust, and it is known that his former associates are anxious to have him take up financial work in Toronto again. Since his resignation from the Cabinet a few weeks ago, Sir Thomas White has been co-operating with his successor, Sir Henry Drayton, in floating the Victory Loan, and has been on a speaking tour throughout Ontario during the first few weeks of the campaign.

The Parliamentary career of Sir Thomas White was comparatively short, but was momentous in many ways. He entered Parliament in 1911 on the Reciprocity, issue, and when Sir Robert Borden chose his Cabinet, the post of Minister of Finance was given to William Thomas White, one of the best known of Toronto's financial men. During the war the work of the Minister in financing Canada's contributions to the great struggle attracted wide attention in England and America.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

NATIONAL BRICK

J.L.M., Edmonton.—I would like to have your opinion on National Brick Company of Laprairie first mortgage 6 per cent. gold bonds now selling at $50. Judging from the new building taking place in the United States, there should be a bright future ahead of this company in Canada.

The position of the bonds of any industrial company naturally corresponds closely to the industrial prosperity that the company is enjoying. With the serious slump in business owing to the prostration of construction during the war National Brick securities fell off in present value, and it is only late this season that the company has been able to secure orders that give promise of the activity of former years being renewed. Each month of late seems to have increased the volume of orders, and THE FINANCIAL POST is informed on good authority that at the present time the company is three months behind in delivery of orders. The outlook for next season is believed to be very bright, and with a certainty of prices holding to at least present levels, and as many believe with a likelihood of higher prices than those prevailing now, it is expected that the company will earn sufficient to meet all bond interest, and preferred dividends, and earn something on the common as well We are informed that the company, in anticipation of big business for next year, with a revival of building operations, has purchased the McKergow property at Laprairie, said to be the only other big plant in the district, and at a very satisfactory price. This will give the National Company a large increase of output for next year. Under these conditions we believe the value of the bonds are now assured and they should appreciate from now on with a surplus being built up behind them.

BRAZILIAN TRACTION

Enquirer, Chesley.—Will you kindly give me your opinion on Brazilian Traction common as a speculative buy at present market price? Are you of the opinion that it has reached its lowest figure at present or do you think it will decline further? How many back dividends are there and what rate did it pay before the dividends were discontinued?

Brazilian common is regarded as a fair speculation at its present market price, which is around 50. Earnings will improve as the value of milrei rises in London, and improvements of shipping conditions in Brazilian ports will also help the company. There are no dividends in arrears on the preferred stock, which pays 6 per cent., but the common has not paid a dividend since the 4 per cent. disbursement in 1916. Some people expected a dividend this year, but the directors did not declare one, although a surplus was shown in the year's operations. Your other questions involve guesswork.

MOUNTAIN FLOWER

W.A.D., Edmonton—Would you be kind enough to let me know the present market value of the Mountain Flower, Gold Mining, Milling and Prospecting Company, and the name of a reputable broker through whom I could deal.

This stock is unknown around Toronto, nor is it mentioned in the reports of any of the leading mining exchanges of the United States or Canada.

INCOME TAX

Enquirer, Locust Hill.—If a man dies and leaves his son $5,000, is that considered as his son's income for the year, or is just the interest liable to tax under the Income Tax Act? If I am farming and decide to quit and have a sale of my stock and implements would that be considered as my income for the year and be liable to tax under the Income Tax Act? If I have a sale of timber on my land and receive $2,000 for the timber is that considered as my income and liable to the tax?

The principal amount of a bequest is not subject to income tax, whether paid in one lump sum or divided into periodical instalments. Any interest received from the investment of the proceeds is subject to the tax, however.

The return from a sale of farm implements is considered a return of capital invested and is not subject to income tax. If you sell your cattle you would pay income tax on the difference between the sale price and a fair estimate of the value at the beginning of the year, if the former exceeds the latter. As you are also allowed to make deductions for the cost of feed, etc., you would have to have a fair margin of profit on the sale of the stock before being subject to income tax for the proceeds of the sale.

You are subject to income tax for the proceeds of the sale of timber, but in reckoning your income from the sale you must deduct the cost of cutting the timber, marketing, etc. In addition, the inspector of income tax will determine how much further allowance should be made for depreciation in the value of the land, which obviously is worth much less when covered with stumps than when covered with good timber. This is a matter to be decided by the department, which deals with each case individually.

DOMINION SEWER PIPE

L.W.J., Rochester.—I would appreciate any information you might have regarding the Dominion Sewer Pipe and Clay Industries, Ltd.

Inquiries regarding the Dominion Sewer Pipe and Clay Industries Ltd., indicate a more hopeful outlook than has prevailed for some time. There has been a revival in building not only in Toronto but all over Ontario. Also, there has been a very considerable amount of municipal business, so that the company has had a good year. As to the future, labor is the great unsettling factor, and if the atmosphere would clear in this connection, expanding activities could be looked for. The situation as regards homes for the people is such that there is sure to be a demand for all the building material that can be turned out for some years, also there is a great deal of municipal work that has been put off from year to year, owing to the war and which is now likely to go ahead.

The company's future, therefore, looks much better than it has for some time, but it must be remembered that a serious set-back was suffered during the war years, when building activities were practically at a standstill.

ALBERTA FLOUR MILLS

H.F.H., Winnipeg.—I have under consideration purchasing shares of the capital stock of the Alberta Flour Mills, Ltd., of Calgary, Alta. Will you kindly let me have your opinion of this new undertaking?

In recent years the big, well-managed, modern flour mills in Canada have been conducted on a very satisfactory basis. There would seem to be reasonable assurance that such concerns will continue to make a good showing in the future. In the case of the Alberta Flour Mills, much will depend upon the management—which appears to be capable and experienced—and upon the capital investment which no doubt will be high considering the conditions prevailing in the building market. The idea of shipping the product of the mill through the Panama Canal would appear to be a reasonable one, although we have in the past heard it questioned as to whether flour milled in Canada could be handled via the canal without affecting the quality. On this point, however, the promoters of this mill have probably the best available advice.

We note from the company's prospectus that the stock is being sold at par. This is a higher price than is usual with a new flotation, but on the other hand there is assurance that this stock will be backed up by real money, particularly as there are no bonuses—according to the literature. Half the money, that is $2,500,000, is evidently to be raised by a bond issue, arrangements for marketing which have already been made. Investors in the common stock must, of course, recognize that this bond issue will have first claim upon the property.

Altogether we would consider this a very fair speculative investment with reasonable prospects of an appreciation in value with capable management and a continued satisfactory export market.

The Victory Loan On Easy Payments

YOU can secure through us Victory Bonds for an initial payment of $10 per $100 bond and regular monthly payments of $5, or more, per $100 bond.

¶ We have helped thousands to secure Dominion Government Bonds in this way who otherwise might not have been able to subscribe. We have helped many to buy more than they otherwise could have.

¶ The services of this organization are also at the disposal of all other investors who desire to secure the safety and high return offered by the final Victory Loan.

¶ Telegraph or telephone at our expense; we will provide you with full official particulars and look after all the details for you without charge.

Address us today:
Victory Loan Department

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Central Chambers, Ottawa

A CANADIAN BOY HEADS WOOLWORTH ORGANIZATION

Continued from page 10.

adopted the now popular injunction, 'The customer is always right,' but he had a habit of every now and again sending a telegram to every store to some such effect as this:

Good morning! Did you say good morning to each customer this morning?

FRANK W. WOOLWORTH.

Any lack of politeness is fatal to the prosperity of a store.

"Next to polite service we impress upon all our workers the importance of prompt service. People may not mind spending half an hour walking leisurely through a store looking at goods, but once they ask for an article they are impatient if they are not served immediately. The merchant who aspires to be successful must take into account all such idiosyncrasies of the buying public and cater to them.

Took Much Pride

"Mr. Woolworth took great pride in the intense loyalty of his organization. Not only were all the district managers and executives brought together from all parts of the country once a month for a lengthy conference, but once or twice a year Mr. Woolworth invited each district office to send representatives to a golf tournament at Glen Cove, Long Island, where he had his country home. A cup was presented to the winner, usually at a festive dinner, where 'the boys,' as he called them, had opportunity to get better acquainted.

"One of his greatest satisfactions in life was that he had been instrumental in enabling hundreds of his associates to amass fortunes. The more money any of his men made, the happier he was—and of course the better it was for the company, since all commissions earned represented just so much profits for the company. He used to be fond of remarking that some men had one partner and some a few, but that he had more than a thousand. He believed that the best way to build up any business was to give the men in it a chance to earn big money by sharing the profits they directly helped to earn.

Two Understudies

"Another of our principles is to have at least one, and, wherever possible, two understudies for every position in the organization. No matter who becomes sick or dies or goes off on a vacation or a trip, somebody is ready to fill the place efficiently.

"'Organize, systematize, deputize, and economize,' has been our guiding maxim. Mr. Woolworth tried always to look and plan five or ten years ahead, and his ambition was to establish a store in every civilized town in the world. Now that the war is over, instead of opening one new store every week, we will be in a position to branch out more rapidly, and although Mr. Woolworth's goal seems a high and distant one, we mean to press courageously toward it."

THE RESULT IN ONTARIO

"Grain Growers' Guide."

What has been accomplished in Ontario gives inspiration to all in Canada who are working to make politics the means of actual self-government by the Canadian people. The people of Ontario have turned over a new leaf, have written upon it the record of an achievement in real democracy more important than any other that Canadian history has to show since the rising of 1837, which brought about the overthrow of the Tory Family Compact.

The revolution in Ontario, which has broken the shackles of partyism has been carried on with resolute earnestness and without any extraordinary disturbance of the surface of events to give full evidence of the power of the forces at work. The flowing tide has been deep and strong; it has swept away the old party landmarks. The peaceful revolution which has thus been effected in Ontario has the essential features which mark all national developments in any country that are rooted deep in what is truest and best in national character. Such developments are always founded on the soil.

The United Farmers of Ontario, steadfastly and clearsightedly doing their duty as citizens, have disposed of the old system of partyism and established new standards in the political life of that province. By so doing they have furnished an example of the highest national value in this era of reconstruction, an example which is all the greater in value and importance because of the manner in which they have co-operated with the industrial workers of the cities in support of the New National Policy formulated in the Farmers' Platform, with supplementary principles applying to Ontario's special problems of provincial good government and progress. The lesson is plain to all Canadians, whether they be engaged in agricultural industry, in industrial activities otherwise than the soil, or any other work. It is, indeed, of good omen that the entrance of the first Labor group in any Canadian Legislature has thus been made shoulder to shoulder with the organized farmers.

The marking of the ballots in Ontario last week was the beginning of a new era, just as the marking of the ballots in Great Britain in 1906 was the beginning of a new era. It is notable that just as the voting in that general election was regarded by some of the unseeing partisans of the old order in Great Britain as being a merely transient ebullition, so also there are not wanting in Canada at this time a few who share the opinion expressed by one of the Ministers in the Government which the people of Ontario wiped out of existence last week. "We have, in Ontario, a people who are in the main able and intelligent," he is reported as saying, "though liable to sudden gusts of prejudice and passion." A newspaper which still does its thinking in the old era of party politics speaks of the revolt in Ontario as "a phase due to unrest," and deplores it as "a lesson from which the country at large must learn and endure a painful, but we trust a brief experience."

In like manner did the Tory journals in London speak in 1906 of the voting in the general election which led straight to the Lloyd George budgets and the volume of other progressive legislation productive of such sweeping economic and social reforms. The similarity in mental attitude is, perhaps, worthy of note.

Under the new regime now to be inaugurated, Ontario will have progressive legislation, administration of its public business on sound, constructive principles, with justice to all classes, and no wasting of the public money. As these words are written, the work of forming the new Government is in progress.

RSC INVESTMENT-SERVICE

An Open Letter to Captains of Industry

We address you because we, like you, know that the future of Canada is rich in opportunity for industrial development.

We know this because we have joined with you in developing many of them —Pulp and Paper, Steel, Coal, Iron, Cement, Textiles and Water Powers.

If you could sit at a round table with us and see, as we do, the moral effect that the success of Canada's Victory Loan will have in her own and in world markets, you would strain every nerve to insure that success.

If there is any financial arrangement that you would like to make with us for the purchasing of Victory Bonds for yourself—or the industry you control—or your employees—we will gladly serve you without charge—for the good of the cause.

32 **Royal Securities Corporation**
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$25,000	Grand Trunk Pacific .... Guaranteed by Dominion of Canada.	3%	1962	5½%
$25,000	Canadian North Western Ry..... Guaranteed by Province of Alberta.	4½%	1942	6⅛%
$50,000	Province of Alberta	4%	1922	6¼%
$30,500	City of Lethbridge	4½%	1939	6½%
$10,000	City of Edmonton School	5%	1953	6½%

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NEWS OF THE BOND MARKET

HELP OF SMALLER INVESTOR NEEDED IN THE CAMPAIGN

Big Institutions Support Loan, But Personal Touch is Wanted

LARGE SUBSCRIPTIONS

American Firms Continue to Send in Subscriptions, Taking Advantage of Exchange Rate

As the Victory Loan campaign progresses it is evident that unless popular support becomes more widespread and enthusiastic the success of the issue will depend on the larger subscribers—insurance and financial institutions, industrial corporations, etc. The personal feature has been lacking this year, and unless something in the nature of a general wave of patriotism or an outburst of practical national thrift sweeps over Canada, the number of subscribers to the loan this year will fall far short of last year's total of 1,029,850, and may scarcely touch the 1917 record of 820,035 subscribers.

The loan will not be a failure. The nominal objective of $300,000,000 is sure to be surpassed, but the opinion of the Victory Loan executives is that it would be far better for Canada to have the mass of people subscribe, than to have the loan divided among a comparatively small part of the population. Although one could hardly say that there has been an orgy of spending in Canada during the year there is no doubt that production and thrift have been secondary to the spending of money among too many people.

Victory bonds that were bought in 1917 and 1918 have been finding their way into the innumerable small brokerage shops that have sprung up all over the country, and through these agents into the hands of the larger individuals and companies subject to the surtax on their income. These people, are of course, to be commended for this business foresight in investing in a tax-exempt issue, but the more fact that the Victory bonds of the new issue are also so attractive for the more wealthy people of Canada is an argument why the average man should buy bonds.

Want Small Investors

The need for small investors for the loan, not only in the interests of the present campaign, but in the interests of national thrift, has been seen by the Dominion executive, and through E. R. Wood, Dominion chairman of the Victory Loan organization committee, an appeal has been sent broadcast through the country which pleads in part:

"The campaign is now practically half finished. The success to date has been due in large measure to the fact that investors who have so far purchased bonds have bought more than they did in previous loans. The number of subscribers is as yet below the number who bought bonds up to the same time last years. The fact that experienced investors, large and small, have subscribed early and have taken more bonds than they ever did before, indicate that they recognize the attractiveness of the Victory Loan 1919 as an investment, as well as appreciating the patriotic necessity of cleaning up our war obligations and maintaining Canada's prosperity.

"The total subscriptions reported so far aggregate $208,000,000, which is a satisfactory result for the time expired. It must be remembered, however, that this total includes a very large proportion of the big subscriptions available, and in order to make a success of the loan it will be necessary, as in previous campaigns, that the medium and smaller subscribers shall come forward in very great numbers. It is only necessary for those who have not yet subscribed to the loan, and who are able to do so, to subscribe on the same relative scale as those who have already bought bonds, in order to to insure success."

Large Subscriptions

In addition to large subscriptions reported in last week's issue, the special subscriptions committee has received the following, of $100,000 or over:

Alphonse Racine, Ltd., Montreal, $100,000; Aldred & Co., Montreal, $100,000; Gazette Printing Co., Montreal, $100,000; Montreal Warehousing Co., Montreal, $100,000; Parke Davis Co., Walkerville, $200,000; Collingwood Shipbuilding Co., Collingwood, $100,000; Canadian Niagara Power Co., Welland, $250,000; Montreal Cottons, Ltd., Montreal, $250,000; La Rose Mines, Cobalt, $100,000; R. B. Angus, Montreal, $100,000; Lord Shaughnessy, Montreal, $100,000; Lewis Bros., Montreal, $100,000; Guarantee Company of North America, Montreal, $100,000; Canada Linseed Oil Mills, Montreal, $100,000; Dominion Steel Corporation, $1,500,000; Dominion Textile Co., $1,250,000; W. C. Macdonald & Co., Montreal, $250,000; Imperial Life, Toronto, $2,000,000; Excelsior Life, Toronto, $1,000,000; Harris Abattoir, Toronto, $250,000; Gordon, Mackay & Co., Ltd., Toronto, $100,000; Firstbrook Bros., Ltd., Toronto, $250,000; London Guarantee & Accident Co., Toronto, $100,000; Union Trust Co., Toronto, $100,000; Canadian Bank of Commerce (pension fund), Toronto, $250,000; Eastern Trust Company, Halifax, $150,000; Northern Construction Co., Winnipeg and Vancouver, $100,000; National City Company of Montreal, Montreal, $1,140,000; North British & Mercantile Insurance Co., Montreal, $100,000; Jos. E. Seagram & Sons, Waterloo, $250,000; Guardian Insurance Co., Montreal, $120,000; Canadian Bag Co., Montreal, $100,000; Canadian Tube & Iron Co., Montreal, $100,000; Gresham Life, Montreal, $100,000; Eastern Trust Company, Halifax, $150,000; Dominion Sugar Co., Chatham, $100,000; John Morrow Screw & Nut Co., Ingersoll, $100,000; John M. Dods, Alton, Ont., $100,000; L. C. Webster, Montreal, $500,000; Canadian Woollens, Peterboro, $125,000; Davis Leather Co., Newmarket, $150,000; F. F. Dalley Co., Hamilton, $100,000; P. Burns, Calgary, $100,000; Laing Produce Co., Brockville, $100,000. Maple Leaf Mill. Co., Toronto, $1,250,000; City of Calgary, Calgary, $125,000; City of Regina, Regina, $100,000; City of Saskatoon, Saskatoon, $455,000; Wm. Davies Co., Toronto, $500,000; Can. Order of Chosen Friends, Hamilton, $500,000; London & Lancashire Life, Toronto, $500,000; Montreal Light, Heat & Power Co., Montreal, $500,000; James Carruthers, Montreal, $250,000; Hudon, Hebert & Co., Montreal, $150,000; Riordon Pulp & Paper Co., Hawkesbury, $100,000; Asbestos Corporation, Montreal, $100,000; Ogilvie Flour Mills, Montreal, $2,000,000; Montreal Locomotive, Montreal, $1,000,000; McGill University, Montreal, $1,150,000.

United States Record

American firms continue to send in large subscriptions. The attractiveness of the issue to Americans was increased this week on aocount of the slightly higher premium on New York funds, which went over four per cent. Some additional United States subscriptions secured are:

United Shoe Mach. Co., Boston, $200,000; Plymouth Cordage Co., Plymouth, Mass., $200,000; Walter M. Lowney Co., Boston, $50,000; Brown Corporation, Portland Me., $80,000; Maloney Electrical Mfg. Co., St. Louis, $50,000; Continental & Commercial National Bank, Chicago, $50,000; Lumbermen's Underwriters' Alliance, Kansas City, $50,000; First Trust & Savings Bank, Chicago, $50,000; First National Bank, Chicago, $50,000; Scottish American & National Insurance Co., Hartford, Conn., $100,000; American Cyanamid Co., Niagara Falls, $100,000; Felix Fire & Connecticut Fire Insurance Co., $100,000; Ætna Fire Insurance Co., Hartford, Conn., $50,000; Burlington Savings Bank, Burlington, Vt., $320,000; A. O. Norton Co., Boston, $100,000; Industrial Trust Co., Providence, R.I., $100,000; Northern National Bank, Toledo, $50,000; Joseph Dixon Crucible Co., Jersey City, $50,000; H. Duys & Co., New York, $120,000; Ætna Life Insurance Co., Hartford, Conn., $250,000; Travellers' Insurance Co., Hartford Conn., $60,000.

CREDITS FOR BRITAIN DEPEND ON HERSELF

Wall Street Journal's Editor Chides the British Treasury

LONDON, ENG.—The appallingly wasteful and inefficient administration of public funds, is one of the chief obstacles in the way of the extension of credit to Great Britain by the United States, W. P. Hamilton, editor of the "Wall Street Journal," told British financiers here. Expenditures by the British Government seem to be without any real co-ordination, and the spending bodies appear to act as if they cared little for the check of the Chancellor of the Exchequer's budget, stated Mr. Hamilton, who also said:

"I wish more Englishmen realized the seriousness of a floating debt which must be ultimately funded. Treasury bills are close to a billion sterling, or the amount of one of the greatest of our war loans successfully floated only by arduous effort in a country of almost illimitable resources, largely untouched by war. If you really intend to clean house and to show that the Government of England is one of all the people, and not of a privileged, unionized class, some of whose members are talking of a revolution which would not only plunge this country into an irretrievable bankruptcy, but would sever all the ties which so wonderfully and even romantically bound the constituent parts of the British Empire together during the war—you need have no doubt about trade credits in America. They will be there for the asking.

"But to me the British people seem tired, and when they are roused to energetic action it takes on a somewhat hysterical form, for which it might almost be said there is a pathological reason. This, after all, is part of the process of coalescence. The chairman of the great Cunard Company acutely said at a stockholders' meeting not long ago that the stockholders might conceivably sell the ships at the present great prices offered and retire to a lifetime of assured comfort on the proceeds. No doubt the British Empire could be liquidated for 20s in the pound on the mere book value of its assets, but, of course, it is going to carry on. Heaven help the rest of the world when it ceases to be a going concern. It must be admitted, however, that it is almost a compliment to say that you tend to wait until the eleventh hour to find the man and the means. It would indeed be a relief to the nerves of your sincere friends if you did not run it so near the fifty-ninth minute of the twelfth hour."

Debentures to the amount of $32,821 of the Town of Capreol were disposed of recently to private individuals. The $2,000 issue was for the erection of a market building; $8,000 for rebuilding the fire hall, and $22,821 school debentures. All of the issues were sold for not less than par. The $2,000 issue was for ten years, while the other two issues were for twenty years, all bearing 6 per cent. interest.

BOND CAMPAIGN SLOW IN HALIFAX DISTRICT

With Lowered Objective, City's Subscriptions Are Few

By Special Representative.

HALIFAX.—The objective for the city of Halifax in the Victory Loan canvass is $4,750,000—less than half the amount subscribed in the last campaign, but the indications are that it will be as difficult now to obtain the smaller sum as it was to secure the larger amount a year ago. There are two reasons for this. One is the common reason that prevails all over the country—the lack of war incentive, and the other that the people, while prosperous in Halifax, have been spending money too lavishly. They have, in fact, been extravagant and have not been observant of the principles of thrift as they might have been. The savings banks are overflowing in their deposits, but a great many of the men and women who make deposits there do not invest in bonds. They prefer to take a smaller interest return and have their money where they think they can see it. These are the people of small means and the slaves of the tradition that wealth is represented by what they have in the savings bank. They are on the same level to some extent with those who bury their money in hidden places or in a secret drawer. The people who invest in bonds, on the other hand, if they do not waste their money by extravagance, are those who do not habitually go to the savings bank, but have some funds on hand which they are not unwilling to put into a Government security in the form of such an investment as the Victory Bond.

An interesting question comes up in connection with the Halifax objective. It is whether the large amounts that are being secured from the trans-Atlantic steamers entering port because of the longshoremen's strike in New York should be allowed to make up the objective here or whether it should be held in a separate account and made that much in addition to the original objective. The steamers were not considered when the objective was named, and if Halifax secures only $4,750,000 including what comes from the steamers, it may well be considered that we in effect fell that much below the objective. The steamers may easily yield to the fund $1,000,000. The canvassers got from the Adriatic alone the sum of $275,500. This gave such a start that a committee was at once organized to canvass all the steamers. The only question is: How are the steamer subscriptions to be classified, and will Halifax get its objective without them?

VANCOUVER'S TAXES

Collections Nearly a Million Dollars Ahead of Last Year

By Special Representative.

VANCOUVER.—Tax collections in Vancouver are nearly a million dollars in excess of the same period last year. With the close of this week of the 7½ per cent. rebate period it was announced at the city hall that the collections had passed the $5,000,000 mark, which is taken to mean a gradual return to pre-war conditions. With two months still to go to the end of the year it is believed the tax returns will be better than for several years past. At the first of the year arrears totalled $5,250,000, but this has been reduced by almost eighty per cent. Fear of losing their properties at the coming tax sale has had a decided effect on the payment of arrears.

VICTORY LOAN IN B.C.

The Organization of the Pacific Coast Campaign

At the head of the British Columbia Victory Loan organization is W. H. Malkin, who is assisted by Brig.-Gen. V. W. Odlum, vice-chairman, and L. W. Makovski, secretary. The executive committee of the organization is composed of the chairman together with Stanley Burke, Brig.-Gen. R. P. Clarke, J. J. Coughlan, Mayor Gale, George Kidd, T. H. Kirk, J. Nelson, J. P. Nicolls, G. C. Perkins, F. W. Rounsefell, P. G. Shallcross, Campbell Sweeny and H. H. Watson. The business committee of the provincial organization is composed of H. H. Watson, chairman, S. Burke, J. J. Coughlan, W. H. Malkin, J. P. Nicolls, Brig.-Gen. V. W. Odlum, F. W. Rounsefell, and P. G. Shallcross.

The Victoria City and Vancouver Island Committee is headed by Brig.-Gen. R. P. Clarke as chairman, and Mr. R. F. Taylor as vice-chairman. The secretary of this committee is Major A. E. Christie.

The Vancouver City Committee is constituted as last year with Mayor R. H. Gale as chairman, Mr. Frank Parsons, vice-chairman and Mr. R. D. Dinning as secretary. The New Westminster and district section is under the chairmanship of Rev. F. W. Kerr.

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VICTORY LOAN 1919

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—*Sir Henry Drayton*

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BRIDGEBURG

Debentures for Sale

SEALED Tenders addressed to the undersigned will be received up to 6 p.m., Dec. 1st, 1919, for the purchase of $50,000 Debentures bearing interest at 6%, to pay for additions and improvements to the Bridgeburg Public School.

The lowest or any tender not necessarily accepted.

R. A. LAND,
Town Clerk,
Bridgeburg.

Oct. 15, 1919.

HOTEL FOR WINDSOR

Million Dollar Structure for Border City

The provisional directors of the Border Cities Hotel Company, which is to erect a million-dollar nine story hotel with 250 rooms at Windsor, will elect officers next week, preparatory to instituting a stock-selling campaign. No difficulty in securing the necessary funds is anticipated, and the directors are confident rapid headway will be made as soon as the charter is received.

The provisional directors are Hiram H. Walker, Gordon McGregor, W. J. Pulling, W. C. Kennedy, C. T. Miller, O. E. Fleming, Dr. W. W. Hoare, W. J. McKee, Lt.-Col. McGregor, A. E. Healy, John A. McKay, J. Neal, George Mair and George H. O'Neil.

FIELD OF MUNICIPAL FINANCE

EDMONTON TAXES COLLECTED EARLY UNDER NEW PLAN

Allowing Discount For Early Payment Works Well in That City

REPORT ON FINANCES

Current Expenditures Have Been Well Maintained Within Estimates, Reports City Comptroller

By offering a special discount for the early payment of taxes, Edmonton has this year been able to collect its civic revenues much earlier than in any previous period in the city's history. Up to the end of September current taxes had been collected to a total of $1,314,028.39, as against $14,-561.55, collected during the first nine months of 1918. Because of this early payment of taxes it has been possible for the city to extinguish completely its overdraft at the bank.

Under an amendment to the city charter, it was arranged that the assessment for the ensuing year should be completed not later than October 31, and that all appeals against assessment should be disposed of by the city commissioners by the end of the year, after which the assessment roll would be prepared by May 1. This procedure enabled taxes to be collectible this year much earlier than in former years, thus reducing interest charges at the bank. In addition a special discount of 10 per cent. was allowed on taxes prepaid up to May 15, 8 per cent. to June 15, and this percentage was proportionately reduced on the expiry of each succeeding month up to November 15, after which current taxes will be payable at par.

Has Been Successful

The success of this experiment is seen in the notable increase in the amount of the taxes collected by the city already this year. It is an experiment in civic finance that might well be noted by other cities. To quote from a speech delivered by Alderman H. M. Martin of Edmonton, earlier in the year:

"It is extremely gratifying to have successfully solved the problem of meeting current requirements by this method of finance and our experience may be commended to other cities as an encouragement to adopt similar methods. The problem of western cities hereto has been that the collection of the current taxes has been invariably deferred until toward the closing months of the year, while in the meantime the overdraft at the bank has been accumulating. Edmonton's example therefore, is one that may be fairly well emulated by other cities."

General administration expenditures of the city for the first nine months of the year, it is pointed out in a special report just issued by City Comptroller D. Mitchell totalled $611.147, which is an increase from the total of $486.979 for the first nine months of 1918. This increase is largely made up by the departments which are the largest employers of labor—fire, police and streets and scavenging. However, civic expenditures are still far below the totals reached before the city adopted its improved accounting system in 1914, as the following statement will show:

Controllable Expenditure

1914	$1,396.420
1915	960,789
1916	752,328
1917	654,525
1918	720,626
1919 (nine months)	611,147

Other statements made in the city comptroller's report are as follows:

Sundry revenue, including departmental fees, for the period ending September 30, amounted to $149,855.11, as compared with $104,516 for the nine months of 1918, or an increase of $45,339.11.

On account of tax arrears, there has been collected $685,553 15, compared with $1,154,010.48 for the nine months of last year.

The aggregate amount of both current taxes and arrears, amounting to $1,999,-581.54, represents an increase in tax collections for the period over that of 1918 of $831,009.51.

There is a notable reduction in charges for interest on current loans which is partly due to the payment of current taxes in advance already referred to (as well as arrears), the interest being $341,401.86 as compared with $392,870.18 last year, or $51,463 32 less.

The current expenditures so far have been maintained well within the estimates of council on a proportionate basis.

BOND SALES

$10,900 Asbestos at 77½ to 77; $1,500 Cedar Rapids at 87½; $2,500 Can. Cement at 100 to 99¾; $2,000 Dom. Cotton at 99; $7,000 Dom. Iron at 85¼ to 85; $16 250 Dom. Textile at 100; $1,000 Montreal Power at 90; $5,500 Montreal Trams., debs., at 69; $31,200 Montreal at 101¼ to 101; $6,000 Ogilvie at 103; $16,500 Quebec Rly at 65; $1,800 Riordon at 97 to 95; $4,400 Rio at 76 to 75; $1,000 Sao Paulo at 76; $400 Wayagamack at 89; $337,250 Victory Loan (1922) at 100¼ to 100¼; $568,650 (1923) at 100¼ to 100¼; $68,900 (1927) at 102¼ to 102; $571,210 (1933) at 103½ to 103¼; $455,350 (1937) at 104⅞ to 104¼; $57,200 War Loan (1925) at 97¾ to 97⅜; $114,100 (1931) at 100¼ to 98⅝; $211,400 (1937) at 100¼ to 100⅛.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED

Nov. 24, Renfrew.—$17,500, 6 per cent., 30-year water-works debentures.

Dec. 1, Bridgeburg.—$50,000, 6 per cent., for additions and improvements to public school.—R. A. Land, Town Clerk, Bridgeburg. (See announcement on page 13.)

Nov. 10, R. M. Swan River.—$50,000, 6 per cent. debentures, payable in 30 years. —Joseph Armstrong, Clerk, Box 153, Swan River, Man.

Nov. 25, New Brunswick.—$2,282.000, 10 year 5½ per cent. gold bonds.—Comptroller-General, Fredericton, N.B. (See announcement on page 13.)

BY-LAWS TO BE VOTED

January, London, Ont.—$50,000, for replacing the Ridout street bridge; $100,-000 for new reservoir.

Nov. 10, St. Mary's, Ont.—$1,000, for soldiers' club house and monument.

Nov. 28, Winnipeg.—$600.000, for municipal milk depot bonds; $350,000 for a new bridge.

Dec. 11, St. Boniface.—$225,000, for additions to schools.

Nov. 20, Galt.—$20.000, for the purpose of making a loan to the Perfect Machinery Co.

January, Galt.—$30,000, for central heating plant at the hospital grounds.

Nov. 17, Whitby.—$60,000, for a new school, etc.

December, Calgary.—$220.000, for construction of bridge; $350,000 for sewage disposal site; $272,816 for extension water system; $1,704 for sewers.

January, Point Grey.—$90,000 for purpose of purchasing property for a park and bathing beach.

Dec. 1, St. Thomas.—$25,000, for the proposed purchase of the defunct London and Lake Erie Traction Company's barns, sub-station and other property in the city.

Dec. 1, Woodstock.—$50,000, for a loan to the Brunswick Canadian Products Co. for the establishment of a plant at that point; $20,000 for a loan to the Warren Pipe Organ Co. for enlarging and improving their plant.

BY-LAW PASSED OR DEFEATED

Leaside, Ont.—The council by a vote of the ratepayers, passed a by-law to grant a ten years' fixed assessment to the Canada Wire and Cable Company. The land of the company is now assessed at $1,600 an acre.

Acton, Ont.—$40,000, for waterworks; carried by a vote of 205 to 56, on October 31. $25,000 to Gourley & Co., for shoe factory; carried by a vote of 228 to 27.

Oxbow, Sask.—$6,750, for improvement of electric light plant. Approved by the ratepayers on October 15.

Yarmouth.—$22,000, to provide for construction of Park avenue and school, etc. Passed by council on October 13.

Midland, Ont.—$30,000, for extension of water and light services. Passed by council October 14

York Township.—$2,000 for repairing and improving school property, etc. Passed by the council on October 28; registered on October 29.

DEBENTURE NOTES

Saskatoon.—At a recent joint meeting of the Medical Association and Hospital Board and the City Council it was recommended that a by-law be prepared for submission at the next municipal elections authorizing issue of debentures to cover the construction cost of a 100-bed hospital in the city. Commissioner Yorath stated that the building would cost approximately $200,000 for erection, with $20,000 in addition for flotation expenses. Equipment for the hospital would round out the total to $300,000.

Toronto.—Work on the eight-room addition to Secord School will be proceeded with at once. The Council recently passed a resolution to borrow the sum of $25,000 from the Bank of Nova Scotia to carry on the work, pending the issue of $60,000 worth of debentures.

Halifax.—The school commission is making application to the city to issue bonds to the amount of $972,429.50 to pay for the erection of new schools.

SASKATCHEWAN

The following is a list of authorizations granted by the Local Government Board from October 18 to October 25:

School Districts.— Eagle Valley, $4,100; xRush Lake, $1,000; Hay Meadow, $3,200; xEldred, $2,000; Sunny Knoll, $2,950; Wall Lalla, $4,000; Roseneath, $3,200; Corofin, $500; xJackson, $900; xSuffield, $3,800.

Rural Telephone Companies.—Prairie Union, $2,000; Creekside, $2,600; Duval Dunkeld, $6,700; Connaught, $18,600; Maple Valley, $1,500; Horse Lake, $8,400; Northwest Smiley, $320.

Rural municipality of Sasman, $12,500.

xBeing sold by the Local Government Board.

The following is a list of debentures reported sold by the Local Government Board from October 18 to October 25:

School Districts.—Pembroke, $10,000; Renfrew, $3,900, and Liverpool, $3,300, Waterman-Waterbury Mfg. Co., Regina. Central Butte, $20,000, and Passchendaele, $9,000, Regina Sinking Fund Trustees. Buffers Lake, $1,000, Sask. Yife Insur. Co, Regina; Springside, $20,000, Harris, Read & Co., Regina; Willowvale, $2,500, W. S. Middlebro, Owen Sound, Ont.; Thorncliffe, $3,000, Regina Sinking Fund Trustees; Llanwernarth, $3,800, Waterman-Waterbury Mfg., Regina; Coulee Hill, $3,500, Waterman-Waterbury Mfg. Co., Regina; Golden Hill, $2,700, Sask. Life Insur. Co., Regina.

Rural Telephone Companies.—Range Line, $3,700, Harris, Read & Co., Regina; Edge Hill, $700, F. P. Taylor, Regina; St. Leonards, $11,600, Bell & Mitchell, Regina; Mikado, $17,500, and Springside, $2,700, W. L. McKinnon & Co., Regina; Connaught, $18,600, Pirt & Pirt, Regina; Radville, $22,000, Westbrook-Gladwin, $14,200, and Flett Springs, $15,000, Harris, Read & Co., Regina; Dunleath, $4.300. Horse Lake, $8,400, and Willows, $16,000, W. L. McKinnon & Co., Regina.

GUARANTEE SAME AS AN INCREASE IN CITY'S DEBTS

Quebec Supreme Court Judge Quashes Bonusing By-law

PASSED BY VOTERS

St. Laurent Town Offered Too Generous Concessions to Man Who Promised to Build a Foundry

The decision of a municipality to guarantee the debentures of an industrial concern is equivalent to increasing the debt of the municipality by the amount for which debentures are issued. So thinks Justice Martineau of the Supreme Court of Quebec, who handed down a decision this week, quashing a by-law passed by the town of St. Laurent and voted upon favorably by the ratepayers. Under the by-law the municipality undertook to guarantee debentures up to $150,000, grant a bonus of $50,-000, and an exemption from taxation (except special taxes) for a period of twenty years in favor of a general foundry which Eugene Panneton proposed to establish in the municipality.

The by law was adopted by the municipal council on August 28, 1917, and on September 14 following it received the approval of a majority of electors qualified to vote on the subject. Alphonse Hamelin, however, took action by petition against the town authorities asking the Court to quash the by-law as illegal.

Exceeded Powers

The judgment of Mr. Justice Martineau yesterday maintained the action on all points. His Lordship pointed out that, under Article 5783 of the Revised Statutes of the province, whenever the total debt of a municipality amounted to twenty per cent. of the taxable immovable property in the municipality, according to the valuation roll then in force, no further loan could be contracted, nor could any further indebtedness be incurred which would have the same effect upon the municipal revenues that such loan would have, unless the by-law was approved by three-fourths in number and value of the proprietors who were municipal electors who had voted thereon.

In this instance, His Lordship held that the guaranteeing of $150,000 debentures of the proposed new industry at St. Laurent and the paying of a bonus of $50,000, although spread over a number of years, would have the same effect on the municipal revenue as two new loans, and in the light of the fact that the consolidated debt of the municipality at that date amounted to over twenty per cent. of the taxable values of the town, and because of the added fact that the by-law received only a plain majority and not a three-fourths majority of the qualified voters, the by-law was ultra vires of the municipal council.

Exempt Ten Years Only

With regard to the exemption from taxation for twenty years, as proposed by the by-law, the municipal council, the judge said, must be governed by Article 5922 of the Revised Statutes, as the Panneton foundry was a new enterprise, and for new enterprises the period of exemption was limited to ten years. On these considerations, the court maintained Mr. Hamelin's petition, declared that the respondent municipal council had no power to adopt the by-law in question, which was accordingly quashed as illegal and invalid, with costs against the municipality.

OVERDRAFT IN HAMILTON

Controller Jutten Estimates It at $300,000

Controller Jutten of Hamilton, at a meeting of the Board of Control of that city, estimated that city would show a deficit of $300.000 this year. He stated that a large proportion of this amount was made up of salary and wage increases, and pleaded for a stoppage of indiscriminate grants by the city.

Hamilton's assessment has been reduced by $346.000 as a result of the work of the court of revision. The greatest reduction was made on account of incomes, as the assessment department has accepted figures given by employers as the salaries of their employees, without making distinctions as to householders and non-householders.

According to returns for third-quarter of 1919 issued by Lloyds' Register of Shipping, merchant vessels under construction throughout world, with exception of Germany, aggregated 2,328 vessels of 8.048.582 gross tons. Stated that United States leads with 3.470.000 tons to Britain's 2,816.000, while British Dominions rank third and Japan fourth.

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Sealed Tenders endorsed "Tenders for Province of New Brunswick Bonds" addressed to the undersigned, will be received for the purchase of $2,282,000.00 (Two million two hundred and eighty-two thousand dollars) ten-year Gold Bonds of the above Province, to be dated December 1st, 1919, bearing interest at the rate of five and one-half per centum per annum, payable half-yearly on the 1st December and 1st June.

Principal and Interest payable in Gold at the office of the Provincial Secretary-Treasurer, Fredericton, N.B., or at the Bank of Montreal in St. John, Montreal or Toronto, or at the Agency of the Bank of Montreal in the City of New York, at the option of the Holder.

Bonds to be in the denomination of $1,000, with coupons attached and may be registered as to principal only. Full payment for bonds with accrued interest to date of payment to be made at the Bank of Montreal, Fredericton, on delivery of Interim Securities at said Bank. Interim Securities will be supplied to be exchanged for definite bonds on completion, by the purchaser of the issue.

Tenders to be delivered to the undersigned not later than noon on Tuesday the 25th day of November, 1919. Tenders must be for the whole amount offered and must be accompanied by marked cheque for $40,000 to be applied in the case of the successful tenderer in payment for the bonds. All bids must be made in Fredericton funds. The right is reserved to reject any or all tenders. Tenders containing conditions varying from above will not be considered.

THE COMPTROLLER GENERAL,

Fredericton, N.B., November 1st, 1919. Province of New Brunswick

THE FINANCIAL POST OF CANADA,
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With assets of over $97,000,000 and surplus of over $8,000,000 it has decided strength and safety.

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If you appoint a private Executor, who will replace HIM when He dies?
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INSURANCE AND REAL ESTATE

MERGED COMPANY HOLDS EXTENSIVE RISKS IN CANADA

Largest Insurance Deal On Record is Consummated

ROYAL ABSORBS GLOBE

Two Companies, Exclusive of Canadian Subsidiaries, Have Nearly $500,000,000 Canadian Insurance

Several Canadian companies are affected by the merger of the Royal Insurance Company and the Liverpool, London and Globe Insurance Company, which is announced from London. Both these companies do an extensive fire insurance business in this country, and had nearly $450,000,000 of insurance in force at December 31 last. In addition, each company owns several smaller insurance companies, chartered in Canada, in addition as well as several incorporated in the United States and with branch offices in this country.

The transaction by which the Royal Insurance Company absorbs the Liverpool, London and Globe is the largest deal ever recorded in insurance circles and has caused widespread discussion in England, the United States, and Canada. The general opinion is that further large insurance mergers will be announced from England as such mergers are thought to give strength to the companies involved without destroying their individuality. This is seen by the fact that several of the subsidiaries of the two companies in the present deal, the Globe Indemnity and the Newark Fire for instance, are individual companies in every respect except that their profits go into the coffers of the larger companies. The Liverpool, London and Globe Company will retain its own field organization complete, and operate under its own name.

Will be Largest Company

The Royal Insurance Company is the largest British fire insurance company in existence, while the Liverpool & London & Globe ranks third on the basis of last year's premium returns. These figures show that the Royal had in 1918 fire premiums of £5 540,000, of which £9,601,000 is fire, £3,-marine premiums of £1 823,000, and life premiums of £907,000, making a total of £10,209,000 annual premium income.

The Liverpool & London & Globe's fire premiums last year were £4,061,000, accident premiums £1,701,000, marine premiums £743,000, and life premiums £341,000, or a total annual premium income of £6,840,000. From these figures it will be seen that by the provisions of the agreement the companies coming under one general management will have a combined annual premium income of £17,055,000, of which £9,001,000 is fire, £3,640,000 accident, £2,566,000 marine, and £1,248,000 life.

The companies which will rank next after the Royal merger is accomplished are the Commercial Union, with total premiums of £10,693,000, and the London & Lancashire, with total premiums of £6,252,000.

Assets Held in Canada

According to the last annual statement of the Dominion Insurance superintendent, the Royal Insurance Company, which has its chief Canadian office in Montreal, held assets in Canada amounting to $3,957,381.95. Premium income last year was $1,682,583, and insurance in force $242,425,000. The Liverpool company had Canadian assets amounting to $2,900,000; premium income $1,405,000, and insurance in force $196,500,000.

The Liverpool, London and Globe Company owns in Canada the Globe Indemnity Company of Canada, Montreal, and the Liverpool-Manitoba Assurance Company of Montreal, the former of which has a very extended business in various forms of casualty insurance. The Royal owns in Canada the Newark Fire Asssurance Company and the Hudson Bay Insurance Company.

STILL PAYING INSURANCE

Toronto Has Already Paid Out Nearly $5,000,000

The city of Toronto is still paying out insurance to the dependents of soldiers of that city who were killed in action at the front. At present there are 32 applications before the city council. The city itself had paid 3,441 claims amounting to $1,000 each out of its own treasury, while the losses incurred by companies which took out risks earlier in the war amounted to as follows: Metropolitan, $1,066,000; State, $39,000; and Aetna, $140,000.

The total amount paid out has been $4,686,000, which indicates that 10 per cent. of the soldiers who went overseas from Toronto were killed in action.

DEVELOPMENT WORK IN NEW BRUNSWICK

Bathurst Lumber Company To Build Big Dam—Other N.B. News

An agreement has been reached between the provincial government of New Brunswick and the Bathurst Lumber Company which enables the latter company to proceed with the development of the water power at the Great Falls of the Nepisiguit. The rails taken from the branch railway from Bathurst to the iron mines for temporary use on the Valley Railway are to be relaid on the branch, enabling the lumber company to transport the necessary supplies for the construction of the dam, which will develop 10,000 water power and will have a working head of 100 feet.

The Nashwaak Pulp and Paper Company, Ltd., are erecting a large dam on the Nashwaak at Marysville, N.B. They also have experts looking over possible sites for a pulp and paper mill in the neighborhood.

Construction work is active throughout the province. At St. John over five hundred men are at work on the drydock, breakwater and dredging at Courtenay Bay. The Atlantic Refineries have made some additions to their plant. The Corona Company, Ltd., have added a story to their chocolate plant. The C. N. R. is buildinz 1,700 feet of track along the west side of Courtenay Bay to provide for increased business. The Crosby Molasses Co., Ltd., are constructing on the water front two molasses tanks. There will be two steel tanks 42 ft. in diameter and 22 ft. high, each holding 280,000 gallons. Additional grain conveyors are to be constructed on the west side of the harbor. The Provincial Lime Co. are rebuilding at Brookville a concrete and steel plant to produce 25,000 tons of lime annually.

From Moncton it is reported that up to Sept. 30 the value of building permits this year was well over $2,000,000. The number totalled 386, compared with 126 for the entire year previous. The value stated does not include railway structures in course of erection, and allows only $650,000 for the Eaton building; later increased to $850,000. This year 97 single and 62 double dwelling houses have been completed or are in process of construction. Forty-seven new stores and offices were built. There were no less than 63 permits for garages.

SITE SUGGESTED FOR A CANADA BUILDING

Impending Drury Lane Sale Brings Up Suggestion Again

LONDON.—Apart from the sale of the famous "Aldwych Island" to a syndicate who will build an Imperial trade exchange there, the most interesting transaction in a year of interesting and unprecedented real estate deals will probably be the sale of the old Drury Lane Theatre, which has been announced to take place shortly. As evidence of the decline of the property in value in the past 100 years, it is noted that in 1819 the lease brought in £10,200 a year, at a time when the pound was worth much more than it is now, while at present the property is let at £6,500 a year. The present is the fourth Drury Lane Theatre. The first, built in 1663, was burned in 1672. Two years later Sir Christopher Wren, builder of St. Paul's, the Monument, and the William and Mary wing at Hampton Court, built the second theatre, which saw the triumph of Garrick, Mrs. Siddons, Kemble, and others. The present building has stood since 1812.

There is a good deal of speculation as to what will happen to the historic theatre if the property on which it stands is sold. If any attempt is made by the new owners to tear down the structure there will undoubtedly be a national outcry, for Drury Lane represents the greatest in British theatrical history. As the property to be sold includes the sites on which the Strand and the Aldwych theatres stand, it has been suggested that the Canadian Government might purchase a leasehold of one of the plots and erect a Canada building, similar to the Australia building a few hundred yards away. Since the Australia building was opened last year the suggestion for a truly representative Canada building to house has been brought up many times.

At present there are Canadian Government, railway, and other offices on Cockspur Street, Regent Street, Oxford Street, Victoria Street, and in the city, while Australia's representatives are all in the one big building.

FOUR YEARS FOR MORTGAGE LOANS TO BE PAID OFF

Manitoba Government Said To Have Such a Scheme in View

FIRST GOVT. TO ACT

Ontario's Position Still in Doubt Owing to Change of Government—Amendment Thrown Out Last Year

The first intimation that the provincial Governments are about to wind up the moratorium legislation that has been in force in Ontario and Western Canada since shortly after the outbreak of war, comes from Winnipeg, where it is stated that the Manitoba Provincial Government will introduce legislation at the next session of the provincial assembly providing for marked changes in the Moratorium Act of that province. It is proposed to have all mortgagees pay 25 per cent. of the principal of the debt each year for a period of four years.

The Manitoba Act, as it was originally passed in 1915, was the most drastic of all the provincial measures and provided that no action could be taken by a mortgagor for foreclosure or sale of the property until interest had been overdue for at least two years, where the interest was payable yearly, or until three instalments of interest were overdue when interest was due half-yearly; or until the interest was in arrears for one year, when payments were due more frequently than half-yearly.

The act also provided that the vendor could not secure any more from his property than the rental value to the extent of the interest, taxes and fire insurance premiums.

Thrown Out Last Year

At the last session of the Provincial Legislature the Government had under consideration a bill providing for the payment of 25 per cent. of all debts in connection with the purchase of land previous to the last session of the Legislature, but owing to the large number of soldiers returning at that time action was delayed until 1920. The Government has now decided to amend the Moratorium Act to make it possible for the mortgagor to collect 25 per cent. of the amounts due to him in each of the years, 1920, 1921, 1922 and 1923.

It is thought that this scheme will work the least hardships on everybody concerned, though it seems to give but slight encouragement to mortgage companies and others who have money loaned on mortgages in Manitoba, who feel that after waiting five years already for their money, they are entitled to a more speedy settlement than the Government's plan will provide.

Mortgage companies have already suffered heavily from the effects of the various moratorium measures introduced in the different provinces, which, it is claimed, have been more beneficial to speculators in land than to anyone else.

The Moratorium Act is still in force in Ontario, and with the Government changing in a few days, it is hard to foretell what may happen at the next session of the Legislature. At the last session, one of the members introduced a bill for the repeal of the Mortgagor's and Purchaser's Relief Act, the official title of the moratorium, but after much unfavorable comment was heard from both sides of the House the bill, which would have ended the moratorium at July 1 this year, was withdrawn.

LENNOX CASE DRAGS

Was It Apoplexy or Drowning That Caused Death?

The Lennox insurance case in Hamilton, which has been dragging on since last spring, entered another phase this week, when the executors of the John Lennox estate brought suit against the accident insurance companies, which carried risks totalling $100,000 on the life of Mr. Lennox.

As has been pointed out in previous reports of the case in THE FINANCIAL POST, the coroner's jury found that Mr. Lennox was drowned accidentally in the bay last spring, but the contention was made at that time that it was not certain from medical evidence that Mr. Lennox's death was due to accident, and that it might have been due to an apoplectic stroke, which caused his body to fall into the water.

If death were not due to misadventure, the companies claim they are not liable for the accident insurance.

Messrs. G. V. Price & Company, have been appointed local general agents for the Fire Department of the Canada Accident and Fire Insurance Co. for the City and Island of Montreal.

British America Assurance Co.

Fire, Marine, Hail and Automobile Insurance

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Assets over -	$4,000,000.00
Losses paid since organization, over -	$45,000,000.00

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Fire, Marine, Automobile, Explosion, Riots, Civil Commotions and Strikes. Insurance.

Incorporated 1851

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Assets over -	$7,000,000.00
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The Stamps may be purchased at any branch of—

THE STANDARD BANK OF CANADA
MAIN OFFICE
15 KING STREET WEST
15 BRANCHES IN TORONTO

AMORTIZATION IS NOT NOVELTY FOR MORTGAGES HERE

Principle Adopted in States Nothing New To Canada

INSTALMENT LOANS

Mortgage Companies in Canada Have Increased Their Business Remarkably, But Their Margin Cut

American bankers are giving a great deal of thought to what are known as amortization mortgage loans, and a survey made by the American Bankers' Association shows that out of 650 savings banks, trust companies and insurance companies that were canvassed, 84 per cent. expressed themselves in favor of the self-liquidating type of mortgage. Some of the American savings banks that have loaned money to their customers on amortizable mortgages have been publishing reports showing how efficiently the scheme has worked in their institutions.

Canadian mortgage companies have been loaning money on mortgages repayable in instalments for over forty years, and in this respect are far ahead of the United States, where term mortgages repayable in a lump sum have been practically the only ones dealt in. The amortized mortgage loan, now suggested in the States, is in the form of a demand note, with a collateral agreement for forbearance on the part of the mortgagor so long as periodical part payments are made upon the principal, and the other conditions of the mortgage are complied with. Of course, in Canada no mortgage loans are made by the banks, as in the United States, so that this particular form of mortgage loan could not be made here.

Keeps Funds Moving

There is no doubt that there are many advantages for both parties in the mortgage loan that is repayable in instalments. It protects the loaning party from depreciation in the value of the property, because the depreciation would only in very exceptional circumstances exceed the amount of principal payments. It assures the mortgage or insurance company making the loan of a steady return of capital for re-investment and keeps the company's funds more or less liquid.

The chief advantage is probably to the borrower, especially if he is the type of person who finds it hard to save systematically. The borrower with a long-term mortgage to cope with, often finds it hard to convince himself that the small amount of his savings after meeting daily expenses, is sufficient in the end to meet the amount of his debt, and loses hope. Many mortgage loans have not been repaid because of the discouragement or inertia of the borrower.

It is a question if the more general knowledge by the public of the fact that mortgage loans can be had repayable in quarterly, half-yearly or yearly instalments, would not tend to relieve somewhat the obscurity of fear and dread which has surrounded the word "mortgage" for so many years. There are many people who understand mortgages thoroughly, but the average man, the man who should own his own home, and who could be enabled to own it through a mortgage loan, is too apt to view the mortgage as something to be avoided.

Mortgage companies in Canada are now enjoying quite a semblance of prosperity, although their margin of profit has decreased considerably. Before the war they allowed 4 per cent. on their debentures, but now they are forced to pay 5½ per cent., while the interest they are able to obtain on their loans is practically the same as before the war. Now loans in the large Eastern cities bring in about 7 per cent., while in the West 8 per cent. is the average rate. This condition of affairs has naturally affected earnings somewhat, but the larger mortgage companies with substantial reserves, are not feeling the condition seriously, especially as the increased business has cut down overhead almost sufficiently to make up for the difference in debenture interest.

Moratorium measures in various provinces have still to be reckoned with, and from this standpoint also the mortgage companies realize that they are not altogether free from war conditions.

WINDSOR'S ASSESSMENT

The remarkable progress being made by Windsor is shown in the report of the assessment commissioner, for the present year. The city's assessment is given as $38,329,694, an increase over last year of $7,455,065. As a large part of the work of estimating the assessment was begun early in the year, while the building and real estate activity in the Border City was only in its initial stages, the assessment increase is not representative of the true increase in the value of Windsor property.

ONT. GOVERNMENT WILL BUILD 4,000 HOMES NEXT YEAR

By End of Month 1,500 Houses Will Have Been Completed

EIGHTY-THREE TOWNS

New Toronto Has Been Able to Build Sixty Houses Costing Not More Than $3,200 to $3,300

By the end of November some 1,500 houses will have been completed by Ontario municipalities that have taken advantage of the Provincial Government's housing scheme. With the approach of winter, it is interesting to note that although conditions in the building trades have been anything but satisfactory, the Ontario Housing Commission has been able to get a good start on its way to a solution of the housing problem of the various Ontario municipalities. Plans for next spring are already under way and it is anticipated that 4 000 homes will be built in Ontario under Government loans in 1920.

Information concerning the activities of the Ontario Housing Commission was given to The FINANCIAL POST by J. A. Ellis, director of municipal affairs for Ontario who has been in charge of the municipal housing schemes. While 93 municipalities have already come within the provisions of the Act the Government has assumed financial obligations, as yet, in only 83 of these, obligations amounting to $10,620,000. Actual cash advances have been made amounting to some $4,000,000; and plans already under way will mean a further demand upon the provincial purse to the extent of $12,000,000 by next spring.

Not a little of the success of the Ontario housing scheme is, according to Mr. Ellis, due to the fact that the widest possible choice has been given the prospective builder in the selection of his style of house. This refers particularly to the exterior of the building. The interior may not vary to any great extent; but the Government experts have prepared many plans for the exterior. This avoids the danger of erecting a long line of houses identically the same in appearance; incidentally, it helps to keep up the value of the property, because a prospective purchaser wants something first a little different from his next door neighbor.

Questioned regarding the cost of the houses built under the Act, Mr. Ellis said:

"Our limit is $3,000 for frame, stucco, or brick veneer; $4,000 for a house of solid construction, that is, solid brick, stone, hollow tile, or concrete. These were the limits fixed by the Act when passed last March. Since then it has been found that the cost of construction has increased at least ten per cent. and, perhaps 15 per cent. all over the Province. However, taking this into account, I think the only change necessary is to make a loan of $3,500 or $3,600 for brick veneer, leaving the other limits as they are."

"The keynote throughout has been to get the very best in everything with the minimum of cost to the builder. New Toronto is just about finishing 60 houses of solid construction which are costing not more than $3,200 or $3,300 each. Port Credit has also a number of six-roomed houses of solid construction, costing them about the same price."

GRANDE PRAIRIE PROPERTY

Much Activity Consequent On Town's Expansion

Grande Prairie, Alberta, is experiencing an activity in real estate greater than at any time since the boom days of 1910 and 1911. Prices are surprisingly low, considering the amount of number of transactions recorded, however, but there are, nevertheless, some substantial increases over the values current in the war period.

The town has more than doubled in size and population in six months, and has doubled the number of business and mercantile concerns doing business in the same period. The only cause for anxiety, however, is the fear that the flurry might be carried to the extremes which resulted in the unfortunate experiences of some of the older cities of the West.

Among the larger of the concerns to locate in the last few weeks, might be mentioned Messrs. Revillon Freres who are erecting a building to be used as a general wholesale, the dimensions being 60 to 75 feet, the building to cost approximately $25,000. This old company will make Grande Prairie the centre for all its wholesale operations for the great

---

Officials of the United States Forest Service state that at the conclusion of the first season in which aviators have maintained an organized fire patrol in the United States, the record made by airplane has proved beyond question its effectiveness as an aid in discovering and locating forest fires.

The report of the receipts and expenditures of the St. Thomas street railway for the past month shows a deficit of $855.97. The receipts totalled $1,507.53, while the expenditures reached the sum of $2,363.50. The monthly power bill was $312.76, a considerable decrease over last month.

Montreal Light, Heat & Power Consolidated

Retains its proud title as distributor of cheapest Electric Power and Gas on this continent

OVER 240,000 HORSE POWER

The development and the possibilities of the various plants of the company run as follows:

	Present Output	Ultimate Development
Cedar Rapids	120,000	180,000
Chambly	15,000	15,000
Lachine	12,000	12,000
Soulanges	12,000	12,000
Steam Auxiliary Plant	25,000	25,000
Total	184,000	244,000
Purchased power from Shawinigan	60,000	
Total power	244,000	

During the year it further reduced its electric rates and held gas rates down--- in face of almost universal advances

During the past summer the Company took a step that marked the culmination of its unique war-time record, in an ample and immediate supply of power to war industries, by announcing a decrease in its electric rates. The official statement illustrates the Company's policy steadfastly maintained:

How Others Raised Gas Rates

Montreal—Old and New—80 cents

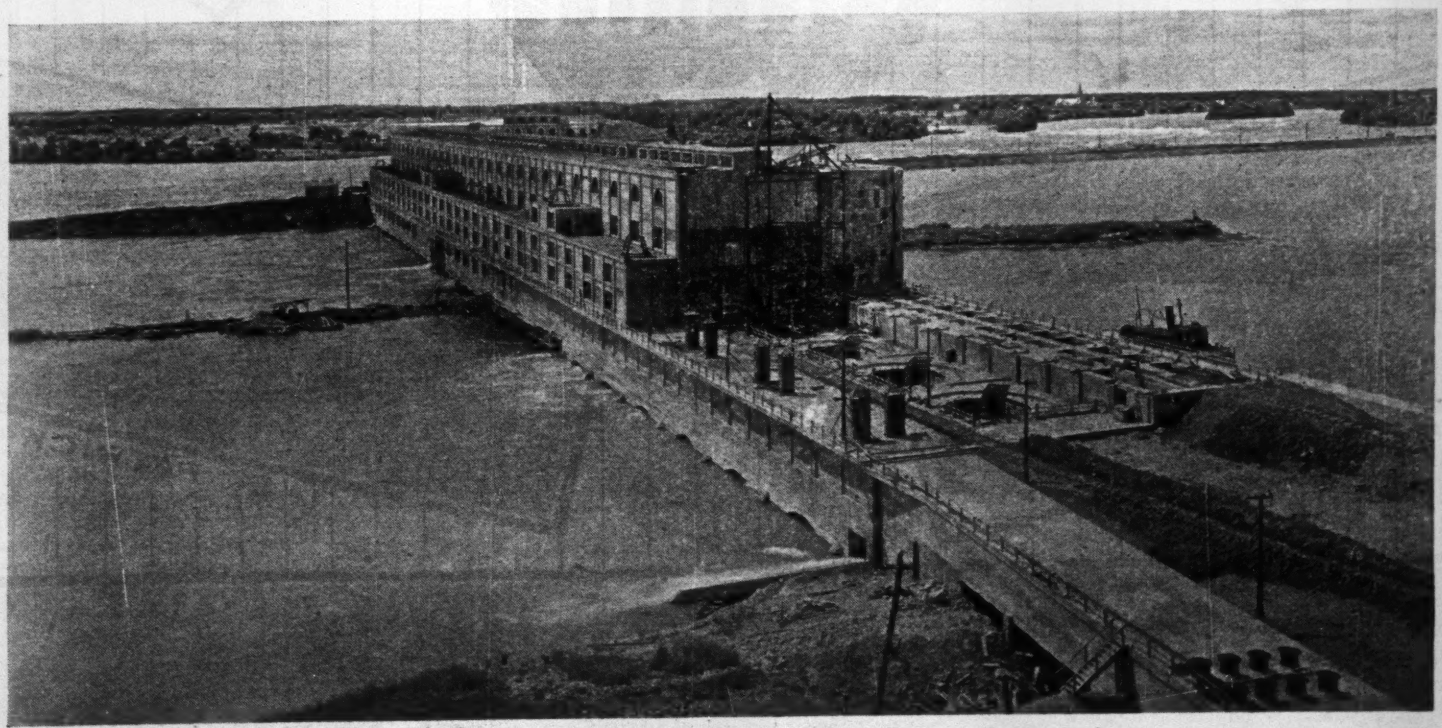
	Old	New		Old	New
Belleville	$1.25	$1.60	Deseronto	$1.50	$2.00
Brandon	1.50	1.70	Kingston	1.00	1.50
Brockville	1.15	1.40	Napanee	1.25	2.00
Cobourg	1.50	2.00	Guelph	1.00	1.30
Toronto	.90	1.00	Oshawa	1.40	1.75
Waterloo	1.20	1.90	Ottawa	1.00	1.25
Winnipeg	1.20	1.35	Sherbrooke	1.00	1.30
			Sorel	1.20	1.50

At Lowest Possible Cost

The reduction in rates following an increase in the dividend is merely the carrying out of a policy which the company adopted as far back as 1908. We announced at that time that the company's aim was to deliver service at the lowest possible price, and to share with its customers whatever earnings the company might make.

Reductions in rates have followed as rapidly and as frequently as conditions would allow. In 1911, the rate for electricity was 7½ cents net per k.w.h. In 1912 this was reduced to 7 cents, in 1913 to 6 cents, in 1916 to 5 cents, and this has now been still farther reduced to 4.80 cents per k.w.h. net.

In the same period the price of gas has been reduced. In 1911 the price of gas in Montreal was $1 net per 1,000 feet. This was reduced in 1912 to 95 cents; in 1913 to 90 cents; in 1914 to 85 cents, and in 1916 to 80 cents net. We are not making any change in the price of gas at this time, because at present there is little or no margin between the price we are charging and what the gas actually costs to produce.



Power House from Roof of Transformer House

Gas Higher Elsewhere

A search of all the available records fails to reveal a lower price for gas anywhere. This is all the more remarkable when it is considered that we are under a great disadvantage in having to import from long distances most of our raw materials and to pay a heavy duty on them as well as the fact that Montreal climatic conditions impose serious burdens upon the manufacture and distribution of gas not generally found elsewhere.

The company takes justifiable pride in the fact that it has not only failed to raise its rates during the war period, as it would amply have been justified in doing by the increased cost of production, but has made an actual and material reduction in the price of both gas and electricity during that time.

We hope in the future, in line with our policy, to be able to announce still other concessions to our customers as fast as conditions will permit them.

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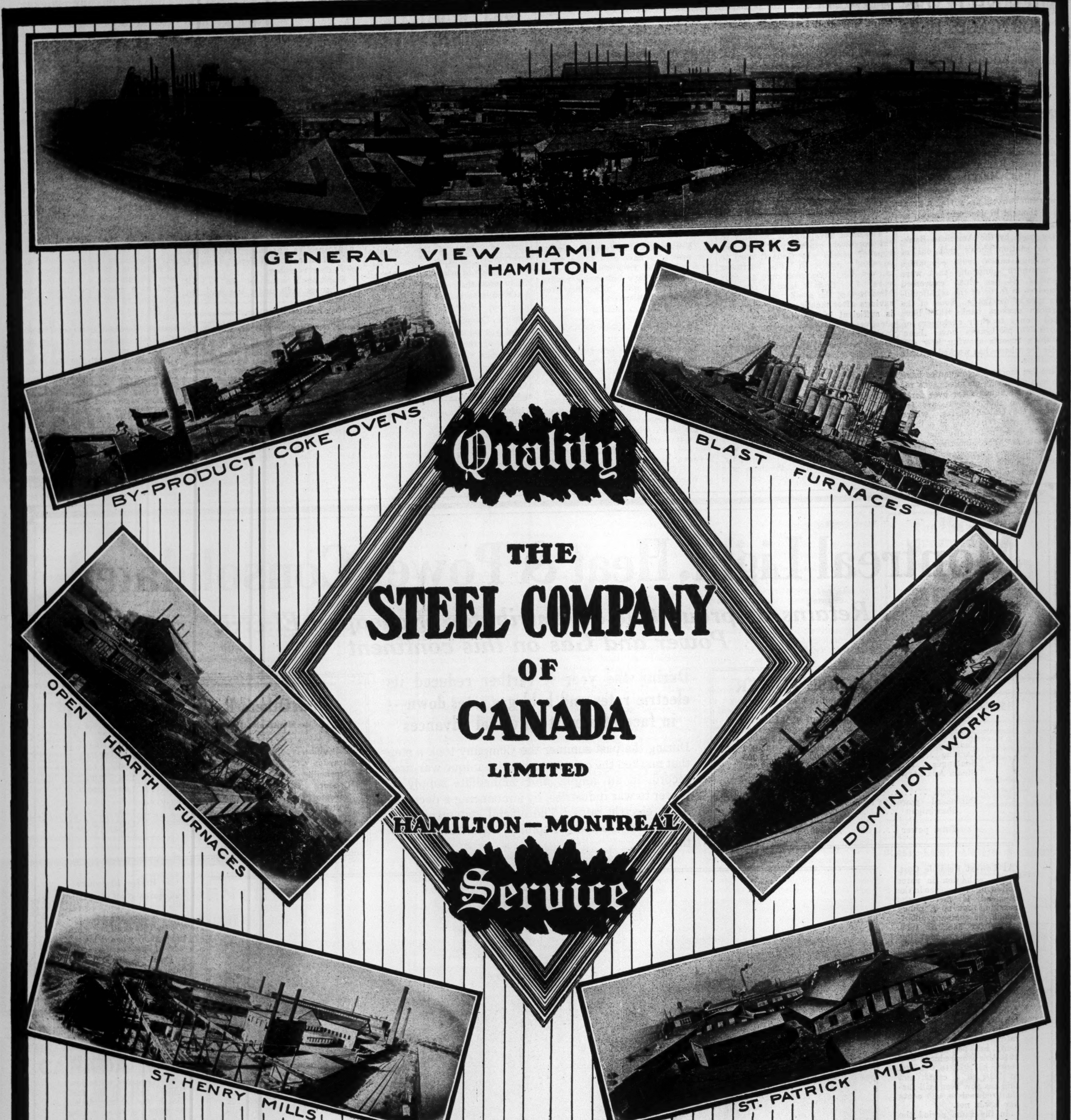
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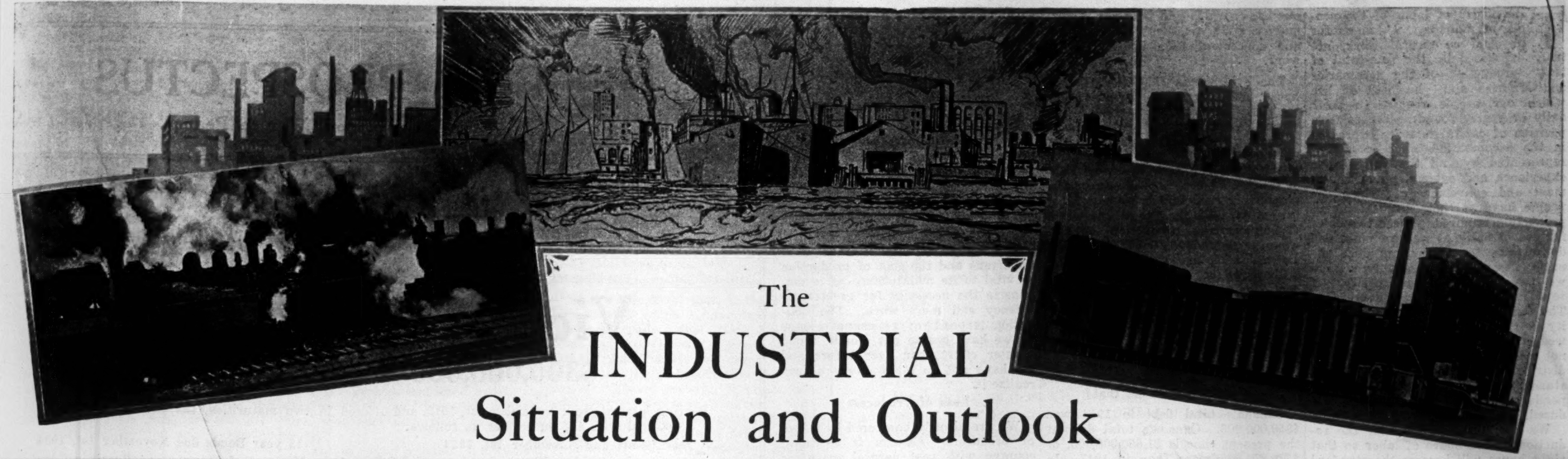

The INDUSTRIAL Situation and Outlook

ECONOMIC FACTORS AFFECTING RELATIONS OF CAPITAL-LABOR

Price Regulation, Especially as Adopted in Canada of No Permanent Benefit—Production Necessary to Reduce Prices

By JAMES MAVOR, Ph.D., Professor Economics, University of Toronto.

THE closest examination of the realities of our financial, industrial and agricultural position is necessary in order to avoid undue optimism on the one hand and undue pessimism on the other. Not merely our interior economical condition, but the general condition of the world must be taken into account. The events of the past few years have brought Canada into the stream of international trade and international finance to an extent to which the country was a stranger before the war. It is therefore necessary for us to effect a real stock-taking and to abandon finally many of our prewar prepossessions and habits. Among these must be reckoned our infirmity of exaggerating the immediately available natural resources of the country and of talking in billions when at most we should have been talking in hundreds. The anticipations of a few years ago, for example, of the yield of our wheat crop appear now very foolish beside the reality of to-day. We must take fluctuations into account as we have never done before. As a matter of fact we cannot only afford to do so, but our credit can only gain by our frankly encountering the difficulties of the situation instead of glazing them over and allowing affairs to drift.

The years immediately before the war were years of increasing anxiety to thoughtful persons. We were making drafts upon our future to a perilous extent. We were plunging into railway construction without study and without care for the immediate future. We were mortgaging the country to the limit of its credit. Imports were about three hundred millions in excess of exports. The adjustment of our trade balance was difficult. We could not have continued our excessive borrowings; our creditors would have stopped the supply of funds. Then came the war. We could borrow no longer. Our imports fell sharply. They were reduced at once by about fifteen per cent. We experienced a moment of economy. We decided to give up luxuries and even indulged in a spasm of asceticism.

The Effects of War

By the third year of the war the labor market had been depleted by the mobilization of troops, the factories had been turned into munition works, the power to effect external loans was limited by the conditions in Great Britain, and later by the conditions in the United States; domestic reserves of capital had to be drawn upon. The earnings of our munition plants soon began to tell, however, and in 1917 and 1918 the consequences became evident in an enormous increase of our imports with a corresponding increase in exports. For the first time for many years the latter exceeded the imports by a large percentage.

Then our people began an orgy of extravagance. The wide distribution of resources through increased wages raised the standard of comfort of the people generally, while the increase of prices of agricultural produce made the farming population prosperous. As always in such cases, we overshot the mark. We began to think that prosperity must last for ever; that if it did not, somebody, preferably the Government, was to blame. We began to grumble about high prices and "profiteering," forgetting that some of us were getting the high prices if others were paying them, and that in one form or another all of us were "profiteering"—the wage earner, who owed his increased wages or perhaps even his employment on any terms to the war as well as the munition maker or the farmer. The advance in prices were general and therefore everybody gained in so far as increased prices represented a gain, excepting those unfortunates whose incomes were fixed.

The Basis of Wages

It is quite true that wages advance more slowly than prices. In the nature of things they must do so. No matter what may be the character of the industrial system—private employment or what is called "nationalized" or "socialized" industry—wages are paid out of the product. If they were paid out of a pre-existing fund they might be paid so long as this fund lasted, but they are not so paid. Therefore, in any system of distribution, wages can be determined only after the product is produced. Since the transportation and exchange of the product takes time, it must always be the case that the share of labor can be determined precisely only after the exchange of its product.

Hence the inevitable retardation of wage movements in relation to price movements. Just as wages follow prices upward, so wages follow prices downward. They do not do so immediately, but they do so eventually, no matter what means, violent or otherwise, may be employed to check them. Under modern competitive conditions the margin of profit is so small that there is an irresistible tendency for wages to follow prices downwards. Even if there were no competitive labor market, wages would fall in response to a fall in prices of commodities, due to abundant harvest or other like causes.

The question of high prices has to my mind been dealt with especially in this country in an ineffectual manner. In Great Britain it was recognized that the only way to fix the price of a commodity is to acquire the monopoly of the sale of it. Thus the supply of wheat, sugar and other things were monopolized by the Government. The surplus Canadian wheat and the surplus American wheat were both commandeered, and the wheat market was by that means controlled. The essential point, however, was not the price of the wheat but the supply of it. Hence the price offered to the producer of the article, the sale of which was monopolized, must be fixed at a point high enough to induce him to produce it, otherwise, in the absence of obligatory production, there might be a deficiency of supply which is precisely the condition necessary to be guarded against. The process of commandeering and rationing is not an economical one, although it may be necessary as an administrative measure under the pressure of military necessity.

It is extremely apt to discourage

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THE PREFERENCE—How it Bears on Our Foreign Trade

Industries Reviewed Also Include: Textiles, With a Forecast by A. O. Dawson, of Canadian Cottons), Steel, Packing, Sugar, Paint, Furniture, Musical Instruments, Boots and Shoes, etc.

EXCHANGE AND ITS BEARING ON CANADA'S TRADE PROBLEMS

Our Position is Having the Attention of American Financiers and Business Men—Further United States Credits Probable

By FRANCIS H. SISSON, Vice-President, Guaranty Trust Company, of New York.

THE condition of Canadian-American exchange appears to be regarded in many quarters as quite the most important problem now confronting Canada. Observers of that country's efforts to re-establish its affairs on a peace basis point to the disparity in the market values of Canadian and American dollars as an insurmountable difficulty. Suggestions are made that importations of goods from the United States be radically curtailed and that other sources of raw materials and of manufactures be sought. When new ocean routes are established by Canada, predictions are made that conditions of international trade are to be so altered, and that within a month or two it will no longer be necessary for Canada to buy from the United States, and so the problem will be solved.

There is no disposition in the United States to regard the exchange situation as of no importance. For the moment it has serious aspects which are enlisting the attention of experts on both sides of the line, and which also, fortunately, are stimulating corrective tendencies, but the fact that Canada is paying more for her imports from the United States than she ought to pay, and that this is raising prices in Canada at a time when the people there are hard pressed by obligations incurred during the war, is of far less significance than what the results will be of properly taken measures to right the exchange. The point to be emphasized is not the disadvantages of an adverse exchange, but the possibilities for Canada and the world that lie in the efforts which should be made to correct it. In the long swing of world events the present exchange situation will become merely a phase of the nation's endeavors to work out its readjustment problems.

To Maintain Output

The heart of that readjustment problem is the maintenance of the industrial capacity which was built up under the impulse of war necessity. In a most surprising way Canada passed during the war from the agricultural stage of economic development to a condition where she was able to export great quantities of manufactured products, in addition, of course, to greatly increased exports of agricultural products. An adverse trade balance which totalled $900,000,000 during the five years before the war gave way to a favorable trade balance of $1,800,000,000 in the five years beginning with the war. Dur-

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CONFLICTING ELEMENTS MUST GET TOGETHER FOR PROSPERITY

Imperative That Tariff Issue Should be Speedily Settled—An Appeal to Employers and Employees to Get Together

By T. P. HOWARD, President Manufacturers' Association.

IT is my personal conviction that what Canada needs most to-day is an increase of mutual respect and confidence as between citizen and citizen and as between groups or classes of our population. The immediate opportunities for great national development are apparent to all. The war has done more than settle military supremacy or change national boundaries in Europe. It has been attended by an upheaval in international trade that affords Canada to-day an opportunity for an early development of her resources that was undreamed of five years ago. But while this is true, Canada cannot and will not profit by the situation to the full unless Canadians are able to find an early solution to the problems which are retarding this development. At the root of these problems is the world-wide social unrest that is born in and feeds upon individual and class selfishness. I am not attempting to charge the builders of yesterday's social structure nor the present-day social reformers with any peculiar responsibility for this selfishness. Quite frankly speaking, I am of the opinion that it is chargeable to the weaknesses of human nature both in the past and in the present. But, what I do maintain is that the country that can bring the various elements of its population together and work out a national programme that will have selfish interest of individual or class so suppressed and the common good of all so exalted that the peoples within that country will lose their suspicion and distrust of one another—that country will be the one which will surpass all others in securing for itself the tremendous development which world conditions make possible to-day. It is this that I most earnestly covet for Canada, and I believe that I share this deep desire with all true Canadians.

I cannot attempt to apply my thought to more than one or two national issues with which we, as Canadians, are wrestling.

The Tariff Controversy

Let us take the controversy over the tariff. This is a matter that is of intense interest to all classes of our society. I submit that it is imperative that a speedy settlement must be found. Different classes of the community and different sections of the country have widely divergent views as to just what the Canadian tariff should be. But I also submit that all classes and all sections of the country can agree on a common starting point from which to develop the whole tariff structure. That is, the common desire to see Canada prosper. This should constitute the one and only consideration in the minds of Canadians when they tackle this question. Why then could not outstanding men representing the various interests in our country be called together and formed into a permanent scientific tariff board, to work out our tariff policy. Such a body could study conditions and requirements from coast to coast. They could investigate the tariff policies and the results of those policies in other countries. They could draw up a scientific tariff for Canada that would be calculated to foster our common interest, namely, our national prosperity, and that would have behind it the united support of all. This is not impractical; it could be done, and if it were done it would go a long way toward removing uncertainty, which paralyzes national endeavour and hinders national growth.

Again, apply this principle of unselfish co-operation to the question of increased production. We are told on every hand that Canada must produce more and more, that if we are to ensure our financial future we must seize the present opportunity of selling our goods to a greatly-increased extent in the markets of the world. But the one thing to-day that mitigates against this increased production is the lack of harmony and the lack of team play between the different elements in our industrial society.

Co-operation Necessary

An intelligent sympathy with one another's interest and a co-operative effort on the part of the leaders of these industrial classes alone will make it possible for us to increase production. My personal appeal is to employers and employees to get together to eliminate as far as possible outside and complicating influences—to sit around the table and frankly discuss their problems to the end that they may reach a common working understanding. Selfishness and unselfishness is, as I have said before, not peculiar to any one group or class of individuals. We need a leavening of the whole with a broadminded spirit of unselfishness and a recognition of the "summum bonum" which cannot exist in company with injustice or class oppression.

It is Canada's wonderful opportunity to-day to build a new social structure based upon the brotherhood of man, which will lead her to the summit of civilization. Our country is young. Our social habits are as yet in the moulding. We have not the ages-long prejudices of class distinctions and class privileges to overcome to the same extent as is the case in the older European countries. We have the greatest heritage in natural resources which a people ever had. The world is destitute of those things which Canada can produce par excellence. It is for Canadians to say whether or not selfishness will snatch our birthright from us. And let me say as strongly as I am able, it is not a matter to be left on the shoulders of a few. Each one has a responsibility as to the outcome. It cannot be left to political parties or professional politicians. What we need is a coalition of the leaders of all parties, both within and without politics, and a spirit of fair play on the part of all that will permeate the deliberations and the constructive work which must be carried through to make this Canada of ours a leader among nations in the new era that is upon the world to-day.

EIGHT-HOUR DAY—the Argument That it Will Curtail Production

The World is Short of All Kinds of Goods and Commodities—Labor Says Higher Wages and Shorter Hours—Little Chance for Lower Prices to Consumer While Such Conditions Continue

By MELVILLE P. WHITE, Manager of Works, Canadian Allis-Chalmers, Limited.

THE hours of labor of the people of Canada, whether for physical or mental work, are truly expressed by the sum-total of that production of the necessaries and luxuries and business of life which our people require in their daily or yearly rounds. The relative position of capital is truly expressed in the accumulated labor or energy represented by all the knowledge, experience and system, plant, equipment and conveniences which the people have at their disposal in the production required. These two chief factors in national welfare must and do operate together to produce the nation's needs. If the supply is large we have industrial prosperity, if small we have industrial depression. The foundation of industrial prosperity is therefore production; the real wealth produced consists of goods, not money. The amount available for distribution, or what represents the standard of living of the people, depends entirely upon the amount produced.

We are asked to consider the reduction of the hours of labor so that eight hours will become the standard of a day's work for all classes of industry. This proposal should have very serious investigation and consideration before any action so far-reaching and powerful as legislation is taken. There are a number of phases to the hours of labor question. Apparently good reasons can be advanced in favor of reduction, but there are also vital reasons why we should not at the present time do anything to restrict or lessen production or increase cost in all those industries essential to the prosperity of the nation.

Labor and Production

The first thing to consider in regard to a reduction in hours of labor is the effect on production. If the material welfare of the people depends on production, then surely the first duty of the people in their own best interests is to see that enough is produced to meet all requirements and obligations. It is apparent that our ordinary requirements are greater than they were before the war, and in addition we have to meet the great extra strain left upon our shoulders by the war, a share of the responsibility for which belongs to every citizen of Canada, and may rightly be called the price of freedom. And there is a further obligation still which, if not compulsory, should rest with equal weight upon all, and that is the call of the distressed peoples of the war-devastated regions—great areas where production has been paralyzed and where it will take years for the machinery of industry to get going again on normal lines. There is great suffering there for want of the very necessaries of life. They need supplies and may not have the means to pay. Is it or is it not up to the citizens of this great industrially-unharmed Canada, not only to find the way to take care of her own needs, but to find time and the will to produce something worthy of her name and reputation to assist these people who have suffered? Are we Canadians, with all our facilities and ability to help supply these needs, going to sit down and say, "No, these obligations are none of ours; we must have greater ease no matter what happens; our health demands it; there is a feeling among our people that they must have it." If such ideas exist, it is because those who have them do not understand the truth about the situation.

Radical fellows are going about telling our people that we are over-produced; they say that is the reason for unemployment; that the high cost of living is due entirely to control of the products by so-called capital interests; that if only profits could be cut out everything would come down in price and the situation be saved for the employees. There are some industries which are over-producing, the luxury industry, the amusement industry, and others which have to do with extravagance. Great numbers of employees in such industries will have to be turned into more necessary production if we are to do the right thing by ourselves and the world.

Present Under-Production

The real fact is that Canada, like every other country, is very much under-produced in all her essential industries. That is the basic reason for the high cost of living everywhere, and there can be no cure for the present very unwholesome state of affairs except through the medium of increasing production. It can be shown that we have a large job on our hands which will take our utmost energy. We must cut extravagance and concentrate on healthy, hard work.

The evidence is that the average hours of labor at the present time through Canada are over 50 per week. We are asked to consider a reduction to a maximum of 44 per week. This would mean a reduction of six hours per week, or 12 per cent. of the total hours worked and in corresponding reduction in output. It is estimated that the total value of Canada's annual production for 1917 was approximately $4,600,000,000; and assuming that should be possible, still, it would, if reduced by 12 per cent., leave a total of $4,048,000,000. or an annual loss in production of $552,000,000. Can there be found by any possible stretch of the imagination any real compensating benefit to the people of Canada through an act of legislature which involves such startling consequences as that?

Canada's total debt in 1914 was $350,000,000. Canada's total debt at the present time is $1,650,000,000, or $770,814,000 more than in 1917. In 1914 Canada required a revenue of $163,174,000, in 1917 of $232,701,000. For 1919 Canada requires a revenue of $437,679,000.

Some Startling Figures

When we look squarely at the fact that, instead of creating a condition which involves a loss of $552,000,000 per annum in production, we must find the means to produce the value of $205,178,000 more than we did in 1917 in order to meet ordinary requirements and without considering increased needs and other obligations, we must surely see that our economic position is not to be taken lightly. And there are additional losses of productive power which must be considered; the many thousands of aliens who have left the country, the absence of five years of immigration, the 60,000 good men who did not come back, the reduced efficiency of many thousands of returned men, and the greatly reduced efficiency of great numbers of workers who have already developed easy-going habits. It is impossible to estimate just what these amount to, but they are very serious.

One thing is sure, it does not look like a time to be cutting down hours of labor, but rather to be searching for every possible means of increasing our efficiency, for we must do a very great deal along that line if we are to thrive under the burden which is ours to shoulder.

The second thing to be considered in regard to the reduction in hours is its effects on costs. If the hours are reduced from 50 to 44 hours per week, it means an increase in overhead charges of about 13 per cent., and if the same rate of wages is to be paid for 44 hours as for 50, that adds 13 per cent. to the net labor, or a total of 13 per cent. in net cost. Apply this schedule to all the industries which produce necessities and you get a definite and direct increase in the cost of living without considering the effect on other elements of cost to the consumer, who, by the way, is largely the worker himself.

If we couple this increased actual cost with the actual diminished output, and bring our minds face to face with the facts that the output is already far short of requirements, surely it is not difficult to see that such action promises no material benefit to the worker, but only leads to further trouble, and if forced upon the country must inevitably end in very serious industrial depression and hardship.

Costs and Foreign Trade

The matter of costs has a very definite influence on foreign trade. Our export trade is rapidly falling off; our money is at a discount in the United States; it costs us $3.50 on every $100 we spend over there—a most undignified state of affairs as well as involving serious loss when it comes to an adverse balance of $400,000,000 a year against us.

There should be a greater market than ever before for what Canada can produce. Bear in mind that other countries are also under-produced, that the surplus of world's necessities is exhausted, that untold billions' worth of human energy has been spent in destruction. The volume of our foreign business depends chiefly on one thing, the ability to sell in competition with other countries and hence on our cost of production. If we cannot meet the price offered we cannot sell, and we are losing vast business at the present time on that account. If we cannot get our share of foreign trade, how can we pay our debts? The only way to meet our great financial obligations is to produce the necessary quantity of goods to sell in the foreign markets.

If we allow our costs to go so high that we cannot meet competition, it involves not only the loss of business from the outside, but also the danger that other countries will flood our markets with their goods at prices below our costs and so cause industrial depression both ways.

The matter of foreign trade is so important and the cost of production so vital to its maintenance as to emphasize the necessity for greater efficiency and more work. The obligation is positive; we cannot escape it; we have got to put forth much greater effort than ever before and we have got to make every citizen realize it.

Loss of Producers

We are already hampered by a loss of producers. Canada is a young country with vast natural resources upon which we have only made a beginning. We need more development, we need more capital, and all the alleged profits and savings in the country will not be sufficient. We need more people. The country can support five times the population that we have to-day. How are we going to secure any of these basic needs if we establish, or try to establish, a false economic condition in our country? Should we not rather say to ourselves: we must get down to a practical working basis—we must meet our needs with the necessary amount of energy to supply those needs. To do otherwise, is not to gain but to lose, and not only to lose, but to suffer in the very proportion that we fail. These arguments are made in the interests of the whole people. There may be every sympathy with the widespread desire to go easy, but the trouble is it cannot be done; we are behind, away behind, with production, and we must first catch up.

The third thing to consider in regard to hours of labor is whether the establishment of a standard 8-hour day for all trades is really necessary to secure a standard of health and recreation for the worker. This matter has been very extensively investigated in England and the United States, with the general conclusion that it is impossible to compare many industries with others in the matter of fatigue and the standardization of hours per day or per week. It is true that many industries in both of these countries work 54, 56, 60 and 65 hours per week and comparative health and output tests have been taken on all sorts of reductions in hours per week; but, with the exception of a few like mining and smelting, no conclusions were made that hours need be reduced below 50 per week on account of the health of the workers. It was found, however, that while to a large extent output did not suffer by reduction in hours where the previous hours were long, such as 54 to 65 per week, output did suffer in due proportion when hours were reduced below 50 per week. There may be exceptions where reductions below 50 did not lower output, but the proportion is so small that it is not worth considering.

Less than 10 per cent. of the metal trades industry in the United States work less than 48 hours per week. In the other industries mentioned no conclusions are drawn in reference to 48 or 50-hour week, as all those industries work almost entirely on more than 50 hours per week.

Hours and Health

We have basic industries in Canada, such as lumber and milling, fishing and agriculture, where the 48-hour day is wholly inapplicable. There can be very little contention that reduction of hours below 50 per week can have a detrimental effect on the health of the "worker" except in a very few industries. Therefore, what is the great need of compelling every one to limit output to 8 hours per day at this very stressful period of our history?

The fourth thing to consider in regard to hours of labor is where Canada stands with other nations in reference to the Peace Conference suggestions, and to the dangers which lie behind the introduction of politics into industry. The National Industrial Conference Board sent a Commission of very able men in the spring of this year to study the industrial conditions in England, France and Italy. I cannot do better than quote from the conclusions of this commission. (Interim Report Par. 20-22):

The most considerable introduction of politics into the industrial question has been, of course, the formation at the Paris peace conference of an international labor conference which has proposed certain clauses affecting labor to be inserted into the treaty of peace.

Without going into a specific discussion of the standard of living or the eight-hour day, it is to be noted that these primary demands of organized labor have thus been given international advertising and that it is intended to bring the pressure of all Governments to bear on the adoption by each country of such a measure as an eight-hour day. It is a very adroit means of establishing in the minds of the public who have not closely followed the matter that the eight-hour day is coming anyhow, and hence that a legal enactment might as well be accepted now as well as later.

While it is patent that such a law cannot be applied equally to all industries or to all kinds of workers—and the Paris proposals make provision for some exceptions, yet the inclusion of this clause in the treaty of peace makes it very difficult to prevent its introduction into kinds of work where it would be wholly inapplicable.

The immediate effect appeared in an agitation for the passage of an eight-hour law by the French corps legislatif. This act was passed April 18th, 1919. It was a part of the general understanding to say that it was certain also to be enacted by national legislation in the United States; that it was coming into all countries, and this misunderstanding was used to assure the passage of the French employers had assented to its enactment. After considerable inquiry

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OFFICIAL PROSPECTUS

"The Bridge from War to Peace"—*The Prince of Wales*

THE MINISTER OF FINANCE OF THE DOMINION OF CANADA offers for Public Subscription the

Victory Loan 1919

$300,000,000 5½% Gold Bonds

Bearing interest from November 1st, 1919, and offered in two maturities, the choice of which is optional with the subscriber as follows:

5 year Bonds due November 1st, 1924 **15 year Bonds due November 1st, 1934**

Principal payable without charge at the Office of the Minister of Finance and Receiver General at Ottawa, or at the Office of the Assistant Receiver General at Halifax, St. John, Charlottetown, Montreal, Toronto, Winnipeg, Regina, Calgary and Victoria.

Bonds may be registered as to principal or as to principal and interest, as hereinafter provided, at any of the above-mentioned offices.

Interest payable, without charge, half-yearly, May 1st and November 1st, at any branch in Canada of any Chartered Bank.

Principal and Interest payable in Gold. **Denominations: $50, $100, $500, and $1,000**

Issue Price: 100 and Accrued Interest, Income Return 5½% per Annum

The proceeds of the Loan will be used to pay indebtedness incurred, and to meet expenditures to be made in connection with demobilization (including the authorized war service gratuity to our soldiers, land settlement loans, and other purposes connected with their re-establishment into civil life), for capital outlay upon shipbuilding, and other national undertakings forming part of Canada's industrial reconstruction programme, and for the establishment of any necessary credits for the purchase of grain, foodstuffs, timber and other products, and will be spent wholly in Canada.

Payment to be made as follows:

10% on application; 20% December 9th, 1919; 20% January 9th, 1920; 20% February 10th, 1920; 31.21% March 9th, 1920.

The last payment of 31.21% covers 30% balance of principal and 1.21% representing accrued interest at 5½% from November 1st to due dates of the respective instalments.

A full half-year's interest will be paid on May 1st, 1920, making the cost of the bonds 100 and interest.

Subscriptions may be paid in full at time of application at 100 without interest, or on any instalment due date thereafter, together with accrued interest at the rate of 5½% per annum.

This Loan is authorized under Act of the Parliament of Canada, and both principal and interest are a charge upon the Consolidated Revenue Fund.

The amount of this issue is $300,000,000, exclusive of the amount (if any) paid for by the surrender of bonds of previous issues. The Minister of Finance, however, reserves the right to allot the whole or any part of the amount subscribed in excess of $300,000,000.

Payments

All cheques, drafts, etc., covering instalments are to be made payable to the Credit of the Minister of Finance. Failure to pay any instalment when due will render previous payments liable to forfeiture, and the allotment to cancellation. Subscriptions other than those paid in full on application must be accompanied by a deposit of 10% of the amount subscribed. Official Canvassers will forward subscriptions or any branch in Canada of any Chartered Bank will accept subscriptions and issue receipts.

Subscription may be paid in full at time of application at 100 without interest, or on any instalment due date thereafter, together with accrued interest to time of making payment in full. Under this provision, payment of subscriptions may be made as follows:

If paid in full on or before November 15th, 1919, par without interest or 100%.
If remaining instalments paid on Dec. 9th, 1919, balance of 90% and interest ($90.52 per $100).
If remaining instalments paid on Jan. 9th, 1920, balance of 70% and interest ($70.84 per $100).
If remaining instalments paid on Feb. 10th, 1920, balance of 50% and interest ($51.08 per $100).
If remaining instalments paid on Mar. 10th, 1920, balance of 30% and interest ($31.21 per $100).

Payment of instalments or payment in full after November 15th, 1919, can be made only on an instalment due date.

Denomination and Registration

Bearer bonds, with coupons, will be issued in denominations of $50, $100, $500, and $1,000, and may be registered as to principal. The first coupon attached to these bonds will be due on May 1st, 1920.

Fully registered bonds, the interest on which is paid direct to the owner by Government cheque, will be issued in denominations of $500, $1,000 $5,000, $10,000, $25,000, $50,000, $100,000, or any multiple of $100,000.

Payment of Interest

A full half-year's interest at the rate of 5½% per annum will be paid May 1st, 1920.

Form of Bond and Delivery

Subscribers must indicate on their applications the form of bond and the denomination required, and the securities so indicated will be delivered by the bank upon payment of subscription in full.

Bearer bonds of this issue will be available for delivery at the time of application to subscribers desirous of making payment in full. Bonds registered as to principal only, or fully registered as to principal and interest, will be delivered to subscribers making payment in full, as soon as the required registration can be made.

Payment of all instalments must be made at the bank originally named by the subscriber.

Non-negotiable receipts will be furnished to all subscribers who desire to pay by instalments. These receipts will be exchangeable at subscriber's bank for bonds on any instalment date when subscriptions are paid in full. All receipts must be exchanged before 1st June, 1920.

Form of Bonds Interchangeable

Subject to the payment of 25 cents for each new bond issued, holders of fully registered bonds without coupons will have the right to convert into bonds with coupons, and holders of bonds with coupons will have the right to convert into fully registered bonds without coupons, at any time, on application to the Minister of Finance or any Assistant Receiver General.

Forms of application may be obtained from any Official Canvasser, from any Victory Loan Committee or member thereof, or from any branch in Canada of any Chartered Bank.

Subscription Lists will close on or before November 15th, 1919

Department of Finance, Ottawa, October 27th, 1919.

Keep Canada's Farms and Factories Busy

NATIONAL ASSETS—Canada is in a Position to "Deliver the Goods"

Resources of Raw Materials Are of Great Importance—Something About the Available Shipping Facilities—Question of a National Policy at Ottawa a Vital Factor in the Situation

By T. M. FRASER, Resident Representative, THE FINANCIAL POST, Ottawa.

THIS troubled old world is in the midst of great uncertainty and turmoil. While the war was on, men used to wonder what the aftermath would be. They are now experiencing it. Some years before the outbreak of war, Lord Rosebery, in addressing the journalists of the British Empire, assembled in London, said in his own sententious way that "a great hush" was brooding over the world. It was succeeded by the great clash of war; and now has come a great unrest. We had the brooding storm; its descent; and now the world stands like some Kansas farmer after a cyclone has passed, and gazes in consternation on the wreckage surrounding him.

There are symptoms of this unrest common to every country. Transportation men will tell you that, while freight traffic has fallen off, passenger traffic was never so active. People are moving to and fro over the earth, apparently with no set purpose, but impelled by an irresistible urge to get up and go somewhere else. Administrations are falling wherever the people are given a chance to express their feelings with the ballot. Instead of going to work with a furious energy to make up for lost time and dissipated energy, millions of work-days are being lost through strikes. The world is crying out for commodities, yet commerce seems to hestitate.

Yet the work of the world must go on, and will go on. Very soon the restless atoms will settle back into their places. Trade will resume its old channels and carve out new ones. The nation which best keeps its head now, and prepares with most thoroughness for what is coming, will profit most. The great Macedonian cry from Europe: "Come over and help us!" is arising even now. Canadian trade agencies are working quietly but effectively and ere long there will be a demand from Europe and other quarters of the earth for our products in greater volume than ever.

Our Raw Materials

It is interesting to review at this time what Canada has to sell in the world's market for which there will be an early call. What are our reserves of those raw materials most needed in reconstruction? Have we the goods?

Previous to the war, building in Europe was very largely of brick and stone. When visitors to Europe used to wonder at the comparatively small use of wood in the construction of dwellings, they were told that it was unsuitable, owing to the destructiveness of the damp European climate; but necessity does not recognize even physical laws, and much of the reconstruction will be on a wooden basis.

Rebuilding Europe

An exposition is now being held in France for the purpose of showing methods of rebuilding the devastated areas of the Department of the Somme. Houses, workshops, chapels, shops, and buildings of every description are being shown together with furniture for the same. The account of this exposition says: "The visitor misses in most of the models the picturesqueness of the old buildings." It is hurry-up buildings that Europe now wants, and it is of wood that many of them must be built. Wood withstands the dampness of British Columbia and the extremes of temperature of the prairies, and the people of Europe now seem disposed to try it. It is possible that they are feeling, also, that buildings which would tide them over the next fifty or seventy-five years would be a wiser investment than to reconstruct permanent dwellings which may again be sacrificed.

Now, next to Russia, and the United States, Canada has the largest forest resources in the world. The total area covered by timber is estimated at between 500 and 600 million acres. Commercial timber covers 225 million acres. This is the estimate of merchantable timber. Besides there are the great areas of pulpwood.

There are those who do not like to see this raw material of a great volume of industries going out of the country as it has been doing for many years past, to be worked up in foreign countries. The tendency has been, fortunately, to reduce the volume of raw material exported. In 1908 64 per cent. of our cut was exported raw, and 36 per cent. manufactured. In 1917 the amount manufactured in Canada had increased to 70.4 per cent., and that exported had decreased to 29.6 per cent. It has been suggested that the export of pulpwood should be forbidden; and the intimation has come in return that if this were done the United States would very likely retaliate by forbidding the export of coal to Canada.

Pulp and Paper

At present we produce about 2,400 tons of newsprint from this raw material; but nothing at all has been done in the way of working up pulpwood into finer and more valuable products such as cordage, carpeting, sacks or garments from paper yarn, in the manufacture of which much progress was made in Germany as a result of the necessities of the war. Another product made from wood pulp is cellulose, which is the basis of manufacture of celluloid, aeroplane "dope," and of artificial silk. Anyone who has been observant will have noticed the greatly increased use in recent years of this fibre silk for neckties, stockings and other articles of wear.

Another wood product for which there will apparently be an unlimited market in the future is aeroplane spruce. Much of the best material gained for this purpose during the war came from the forests of British Columbia. Virgin Sitka Spruce is the best known material for aeroplane construction. It is strong and resilient. In certain areas of the Queen Charlotte Islands, on the northern coast of British Columbia it forms 35 per cent. of the timber stand, and nowhere else can it be logged on a commercial basis. In the last year of the war, British Columbia supplied material for 30,000 aeroplanes.

Timber Business

The process of getting out aeroplane wood, is unfortunately, rather destructive, as all wood processes have been in the past. The Chicago pork packers claim to use everything but the squeal; but there is no such minute conservation in wood manufactures. There is a good deal of hope, however, in the fact that the toy industry is now making great strides in Canada, and finds its raw material largely in material which formerly went largely to waste. In a recent number of the Canadian Forestry Journal, Mr. Angus Maclean, manager of the Bathurst Lumber Company says:

> "The waste in the saw-mills in New Brunswick and Nova Scotia is really appalling. Every mill in the country has either a steel incinerator or an open burner, into which thousands of cords of good wood material are being dumped annually, causing a serious loss of raw material which should be utilized, and depriving many men of work in fitting this material for the market."

Let us look for a moment at some of our industrial metal reserves. In some ways they are unique, or nearly so. For instance, we are the chief source of the world supply of cobalt, asbestos, and nickel. Metallic cobalt, cobalt oxides, etc., are recovered mainly from the cobalt-silver-nickel arsenides of Coleman, Ont., and in 1916 the production was over a million and a quarter pounds. Even before the war Quebec supplied 87 per cent. of the world's needs, the balance coming from Russia and South Africa. Twenty years ago, about 65 per cent. of the world's nickel came from French New Caledonia, and about 35 per cent. from Canada. Although the output has increased five-fold since that time, we find that the Province of Ontario produces eighty per cent. of the whole. Of those three important minerals we have practically a monopoly of the present world's supply.

Mineral Deposits

Large iron deposits exist all over Canada from Nova Scotia in the east to British Columbia in the West, in Ungava and the Hudson Bay district., but we use very little of it. Only a little over four per cent. of the iron used in Canadian blast furnaces in 1917 came from Canada. The two big companies in the east, the Dominion and Nova Scotia Steel Companies, use Newfoundland ore, the enormous deposits on Wabana Island being owned by them. So great is the supply that before the war those companies had fleets carrying it for sale in Europe. The Wabana mines supply about forty per cent. of our supply. The balance (exclusive of the small percentage of native ore) comes from the United States and is the chief source of supply for the Ontario steel works.

The greatest supply of copper ever produced in any one year in Canada was in 1918, when we produced over 118 million pounds, of which British Columbia was credited with over half. Our mineral resources are enormous, and will certainly undergo great further development in the next decade.

The above are only some of the high lights. Nothing has been said, for example, of our fisheries; our lignite coal deposits; our possibilities for flax production. Hitherto, our natural resources have been "mined" rather than developed, and the processes of further manufacture, which are the most valuable to a country, have been left too much to other countries to exploit.

Transportation Facilities

No one can doubt that, in the slang phrase with which I have taken the liberty of heading this article, we can "Deliver the Goods." What about the situation when we employ the phrase in its transportation significance? There, perhaps, it might be said that we are over-developed. We have nearly double the railway mileage of the United States per head of population. We are certainly amply supplied, for export trade purposes, at all events. The same is true of our shipping facilities. In this respect, the Government has certainly taken great steps to link up our water and rail transport. We are building and have already partially completed a fleet of over fifty cargo vessels, prepared to carry our products to any part of the world, owned and operated in conjunction with our system of Government owned railways; and in addition there are eight steamship lines subsidized on the Atlantic and three on the Pacific, besides unsubsidized lines.

The Government-owned ships, particularly, must have cargoes to fill them. Our manufacturers must send their trade missionaries abroad as they have never done before to find buyers; and, obviously, manufacturing must be encouraged. How it is to be encouraged is a question, which I must not discuss here. Unfortunately, it is a contentious question, which is rapidly approaching an issue in Canada. There are political and economic differences in Canada which, on one side at least, have developed to such an extent that they pass out of the domain of party politics and become a truly national question.

STEEL OUTPUT INCREASING

About 90 Per Cent. of Pre-Strike Production Attained

PITTSBURGH.—The production of iron and steel is steadily increasing in the Pittsburgh district, and is reported to be about 85 per cent. to 90 per cent. of the rate that obtained before the present steel strike. The output of sheets is quite pronounced, and in the past week the United States Steel Corporation has operated about 85 per cent. of its sheet mills.

The Pennsylvania plant in Pittsburgh, one of the pipe making mills of the Steel Corporation, is operating at about 76 per cent. of capacity. Stocks of finished steel in the hands of jobbers and manufacturing consumers are rather diminished, and there is, in some instances, a shortage reported. They, however, are accepting the situation philosophically, taking what shipments they receive good naturedly. Sheet bars have sold at premiums of $2 to $3 a ton, as they are becoming quite scarce on account of the heavy operation of sheet mills.

JAPANESE TRADE

A Gain of About 166 Per Cent. During War Period.

YOKOHAMA—The total trade of Japan during the year 1918 amounted to yen 3,630,244,504, as compared with yen 2,638,819,155 in 1917, and yen 1,883,896,028 in 1916. If we take the pre-war year 1913, this is a gain of yen 2,268,352,644 or about 166 per cent.

The balance of trade was favorable to Japan by yen 293,956,835, as exports amounted to yen 1,962,100,668 and imports to yen 1,668,143,833. This balance, although most creditable, was a big decrease as compared with the year 1917, when there was an increase of exports over imports of yen 657,183,941. The cause for this variation was the fact that imports were much heavier in 1918 (yen 1,668,143,833), as compared with the previous year (yen 1,035,811,107)—an increase of yen 632,332,726. On the other hand, although exports were more in 1918 (yen 1,962,100,666) than in 1917 (yen 1,603,005,048), the increase only amounted to yen 359,095,620. (A yen is about 53 cents at the present rate of exchange.)

At the Quilting Bee

What good times they had at the simple old-fashioned parties. The ladies gathered early to help their hostess sew; the gentlemen came later, and there was a little dancing and some delicious home-made refreshments, which the gentlemen gallantly served with old-time courtliness. Ginger Punch was a great favorite at old-time parties. It is a cooling, delightful drink, just as refreshing after dancing as it was in the days when Grandmother made it. *"Grandmother's Recipes"*, our new cook book, tells you just how to make Ginger Punch, with ginger root, cracked ice and

Lantic
Old Fashioned Brown Sugar

There are many other good things in this book suitable for simple entertaining; little plain cakes for the afternoon tea party; a delicious caramel ice cream which takes no cream at all; even a few candies for the children (since children must have candy for their health's sake), and Grandmother's candies are both wholesome and economical.

Lantic Old-Fashioned Brown Sugars come in three kinds known by your grocer as *Lantic Light, Brilliant and Dark Yellow*, but the Brilliant is more generally recommended for the dishes in the cook book.

If you do not regularly use brown sugar in home cooking, buy some to-day and try it. It costs a little less than granulated, it sweetens as well as flavors, and gives to many simple dishes a delightful flavor that makes them more acceptable than richer foods. Lantic Old-fashioned Brown Sugar is made by the makers of Lantic "FINE" granulated, the sugar with the red ball trademark. We send the cook book *"Grandmother's Recipes"*, for a 2c. stamp to pay for return postage, or for a brown sugar recipe which you have tested and found to be good.

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9

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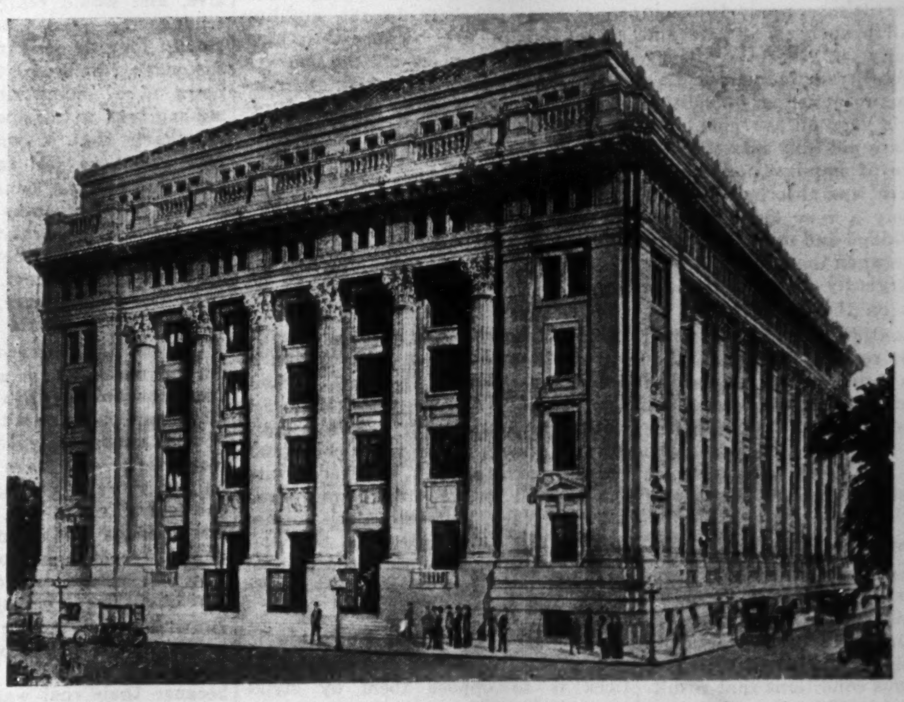

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Transportation Building, Montreal

LABOR—Employers' Problem of Shorter Hours and Higher Wages

Both Movements Have Been Accompanied by Decreasing Efficiency—A Practical View of Some of the Questions Which Must be Considered by Manufacturers and Other Employers

By JAS. G. MERRICK, Secretary Employers' Association, in an interview.

THE LABOR situation in Canada to-day is presenting problems that have heretofore been unknown in a general sense in this country. Demands for a continuance of the war-time scale of wages have been insistent, even during the period of transition from war to peace in our industries, and they have been added to by further demands for still higher wages and curtailed working hours. And while these demands have been voiced by workers generally, individual efficiency has been decreasing. Manufacturers have many problems to face to-day, none of which is more serious and more insistent than the problem of keeping production costs down to the production costs of the nations against whom they must compete when the world's trade begins to stabilize itself. How to keep costs in line with competitive prices, and at the same time face a reduction in the efficiency of their workers is indeed a problem.

A great many complex factors have contributed to making this problem, and other problems capital and labor are facing in Canada, mean what they do to-day. Until 1914, Canada was largely a natural produce country from an international standpoint, but in addition was a strong manufacturing country from a domestic standpoint. In other words, manufacturing was aggressively carried on, but almost entirely with a view to supplying Canadian trade only. For nearly 20 years before the war there had been a steadily increasing immigration, which assumed larger and larger numbers each succeeding year up to the time of the outbreak of the war. This immigration, which included all classes of labor, kept the labor market fluid and answered the requirements both of producers of natural products and those engaged in agriculture, and the requirements of industry.

Stoppage of Immigration

The outbreak of war almost completely stopped European immigration and curtailed largely the supply of labor from American sources. This, in itself, was not a hardship but was a benefit during the first year of the war, owing to the collapse of the credit system, the curtailment in buying orders and the increasing difficulties of transportation. With the continuation of the European struggle huge buying orders, at prices which necessity dictated, were placed for practically every commodity in America and Canada. This had the effect of stimulating manufacturing production in practically all branches of trade and more especially in those centering around the metal trade industries. This favorable manufacturing condition was offset by a very unfavorable labor market, because not only was the regular sequence of immigration eliminated, but there was absorbed into the Canadian army a very large proportion both of skilled and unskilled workmen, at a time when their services were almost as urgently required in the workshop as on the battlefield.

In this situation strong efforts had to be made to recruit additional labor and this was found in the response of the women of Canada, who energetically came forward and "manned" the workshop in the places of those who had gone to the front, and assumed places necessitated by the increase of war-work.

How Exports Grew

The culmination of effort both agriculturally and industrially, resulted in a $1,000,000,000 export trade in both 1917 and 1918, and practically the same volume during 1919. The very prosperous conditions that resulted in connection with every industry and all agriculture that endeavored to supply the demand resulted in steadily mounting prices, which were immediately offset by increasing wages and demands for curtailment in hours. Labor, at the time of the Armistice, was better paid and working under better conditions than at any previous period of Canadian industrial history. The only exceptions were those classes of workers who were in unskilled manual occupation—clerical and professional.

With the armistice, a new situation faced all classes of industrial workers. There was a sudden cessation of demand for goods that entered into military requirements. This affected the metal trade industry within less than a month and has affected the other industries successively ever since. The demand for agricultural products, however, continued in much the same condition as during the concluding months of the war. The non-cultivation of the European agricultural areas and the wastage of cattle and live-stock, which cannot be replenished except after years of breeding, has still left an opportunity for our farm products which is likely to continue for a long period.

Many Factories Busy

The stoppage of war orders, which affected our factories seriously during the first month or two of the armistice, has not created the stagnation expected, owing to the demand for other classes of goods which have been necessitated through the tremendous destruction in the war area and through the wastage of other necessities in the European countries. There has been an opportunity for Canadian export trade to fill these requirements, provided our cost of production could compare favorably with the cost of foreign manufacturers competing to supply the same demand. It is in this connection that so many of the industrial disturbances which occurred in the early spring were serious. The workmen were reluctant to face the situation which was dictated by domestic or international conditions and were insistent, not only on preserving the pre-armistice wage, but on increasing these wages and still further shortening hours in the belief that such practices, if successful, would result in an increasing return to them. Manufacturers bidding for business were compelled to realize that the old opportunity of securing contracts through necessity was eliminated, and that they could only secure business in competition with other equally eager competitors.

To get business offered they found they must keep their factory costs in line with those of their chief competitors, and when the demands of their workmen went beyond working costs in the United States, Great Britain or France, they were compelled to oppose them, with the result that many strikes were precipitated. These have been more or less adjusted in accordance with the prevailing industrial conditions.

Builders Refuse to Work

There are very many opportunities for the greater expansion of trade if costs can be brought within reasonable production limit. This is particularly so in all branches of the building trades for increasing costs, caused by advancing scales of wages and curtailment of hours, have had the result in the situation now prevailing. No houses can be built for the people most in need of them, while at the same time many workers in the building trades remain idle because they have placed their services off the market. Similar conditions are facing other industries, because the public at large is resisting strenuously increasing costs in those goods that come most nearly home to them. These are domestic foodstuffs, clothing and other incidentals. The reason that costs have mounted higher in many cases than would be occasioned by the increase in the cost of labor has been that, not only has there been a decline in the efficiency of the individual worker, but there has been a restriction in output, encouraged by the workers themselves. As an illustration: a clothing manufacturer whose normal output under peace time conditions was 985 coats a week, was faced with the demand for week work wages and a 30 per cent. increase in the former piece work rates. During the first week under the new scale the number of coats produced fell to 575, and in the second week to 450.

Industrial Conditions Uncertain

The only correction for these practices is to oppose tbem by strike methods, as their success would involve not only a community but a province and probably the entire country, as was evidenced by the demand in Winnipeg and the similar demand in Toronto, of the local metal trades councils. Industrial conditions are still uncertain and in an unsettled condition. We have many readjustment problems and our domestic trade in this country is immune from competition except from the United States, largely through the fact that the European countries are still so busily involved in readjustment problems and the adjustment of the world's trade, which formerly they controlled, as well as in restoring their surplus stocks of material, they have not had time to invade the Canadian field. This immunity has also been enjoyed through the depletion of the world's shipping and consequent high rates for international freight.

Thee conditions will gradually be met, and we may expect in the immediate future an invasion of our markets which will cause either a necessity for increased production or a change in working conditions to meet the problems then to be presented. At present, however, there is plenty of work, good business prospects and no immediate fear of depression, but in order to withstand the gradually increasing competition that will come our industries will have to be prepared to produce more in order to keep our costs in line with the cost of the goods that will be placed on the market in competition with their products.

THE MOTOR TRUCKS HELP RAILROADS

Feeder Lines Do Not Mean Profits to the Big Systems

"No railroad ever built a spur or feeder line that paid; they are only an expense," said a well-known official connected with the Michigan Central Lines, says *Forbes' Magazine*.

Let us see why this was so. One of the railroad's greatest benefits is in the bringing in of raw materials to the manufacturing centres. We have always considered the railroad more or less from the standpoint of a transportation method for the distributing of the articles of commerce, the manufactured product. This is, indeed, one of the important duties performed by the lines; but before the finished product becomes a reality to be distributed, the raw materials must be brought in to the manufacturer.

Wherever possible the railroads have laid their "spur" track to the raw material districts, even though practically all such lines have been laid at a loss. Such lines have always been known as "feeder" or "spur" lines, as their only value was in producing the loads to be hauled on the main lines. There are numerous districts not yet opened to industry by the railroads just because the great expense, or the seeming impossibility, of bringing the raw materials to the main line by means of these "feeders" made it inadvisable.

But there was a solution of this problem: the motor truck.

In the extreme northern end of Idaho, near the Canadian border, a very rich vein of ore containing a large per cent. of silver and lead was uncovered. To put a spur line through the mines would have proven decidedly expensive, and would really have been an engineering feat to build. Instead, four motor trucks were put to work, hauling the heavy ore down the mountain side on a zig-zag trail so narrow and with turns so sharp that it was necessary to pull ahead as far as possible, then back into special "banks" to make the turns. Under these conditions the ore has been brought to the main line of the Great Northern Railroad at very reasonable cost. It is taken from Bonner's Ferry to Salt Lake City by the railroad.

One of the illustrations of the economy of motor trucks as feeders comes from the South. Near Mortons Gap, Hopkins County, Kentucky, a number of coal mines, all good producers, are located. Several were so located that only a short spur was necessary for the L. & N. main line. Then the cars were loaded by means of the mine dump cars on a narrow gauge track. But two mines owned by the Dixie Bee Line Coal Company and O'Bryant, Browning and Medlock, were almost a mile and a half from the railroad. They were classed as "wagon" mines because their coal was hauled to the spur in wagons, a very slow and expensive method. When war work tied up the railroad so much that cars were at a premium, the Fuel Administration ordered that no more cars be furnished the wagon mines.

The motor truck solved the difficulty. Each mine purchased a two-ton Federal truck. Within a few days the Fuel Administration and railroad officials were satisfied that these mines should be given their quota, one car each per day.

Since June of last year each truck has worked every day loading a 45-ton gondola in six hours and a 55-ton car in eight hours. During June, 21 cars, aggregating 1,000 tons, were loaded by the Dixie Bee Line truck alone, which is nearly double the output by the teams. According to careful records kept by G. E. Henry, secretary of this company, loading by the motor truck method is cheaper than by the tramroads of the larger mines or by the horse and wagon methods.

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FROM Halifax and Charlottetown, settled and historic, on the Atlantic, to Prince Rupert and Vancouver, new and growing, on the Pacific, are more than 380 branches of the Union Bank of Canada. In frontier towns, in peaceful farming districts, and in bustling cities they stand at strategic points in the pathways of Canadian trade and commerce, linking East with West, North with South.

Our nation-wide Banking Service is always at the disposal of Canadian business men and individuals.

Coincident with Canada's foreign trade ambitions, we have made remarkable progress toward the fulfilment of our policy to build up an institution of an international character which will provide a financial highway for Canadian trade with foreign countries.

Our branches in London, Eng., New York City, Montreal, Toronto, Winnipeg and Vancouver, are equipped with Foreign Exchange Departments prepared to finance and advise Canadian exporters and importers. It has often been remarked that no more complete Foreign Exchange organization exists in Canadian banking.

Further meeting the needs of the rapidly increasing world commerce, particularly between the countries of the Far East and Canada and the U.S., branches of our subsidiary, the Park-Union Foreign Banking Corporation are already established and open for business in Seattle and San Francisco, in the U.S.; in Shanghai, China; Yokohama, Japan and Paris, France.

Branches shortly to be opened include: Kobe, Japan; Tokyo, Japan; Hongkong, China; Hankow, China; Tientsin, China and Singapore, Straits Settlements.

International service of this broad character is offered by a financial institution which has adopted the modern belief that banking is the servant of commerce and industry and seeks to meet their constantly expanding needs.

HEAD OFFICE: WINNIPEG

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Capital and Surplus, - $10,665,160
Resources of - - - - $153,000,000

Park-Union Foreign Banking Corporation jointly owned and controlled by the National Park Bank of New York and the Union Bank of Canada

BALANCE OF TRADE—No Need to Fear Effects of the Cheap Dollar

Trade Relations Between Canada and the United States Are on a Healthy Basis—Exchange Rate Tends to Restrict Our Purchases of American Manufactures and Encourage Export of Canada's Products—Britain's Example.

Written for THE FINANCIAL POST by "STATISTICIAN."

THAT Canadian money, as compared with American, should be at a discount of between three and four per cent. is annoying to the average red-blooded Canuck, who believes, and with good reason, that a Canadian dollar bill is intrinsically just as good as an American. But the adverse rate of exchange, annoying and a bit humiliating as it may sometimes seem to be, is, in reality, not as serious a matter as some think. In some respects, at least, it is of advantage to the trade of the Dominion. This may seem to be a paradoxical statement; nevertheless it is true.

The adverse rate of exchange has inclined many persons to the view that, insofar as trade with the United States is concerned, Canada's position is going from bad to worse; that is, that the balance against this country is becoming larger than ever. This is far from being the case; indeed the contrary is true. Canada's trade with the United States is on a much better basis to-day than it was before the outbreak of war. During the fiscal year that ended on March 31st last, trade between the two countries was over double what it was in 1912-13; and yet, in spite of this huge increase, the balance of trade against this country in favor of the United States was actually $4,000,000 less than it was in 1912-13. This is sufficient to demonstrate that the existing rate of exchange against Canada is not directly due to the circumstances that the balance of trade between the two countries largely favors the Republic. If indeed this were the cause the rate should be much more favorable than it was either in 1917 or 1913. In this connection the accompanying table is of interest.

Years ended March 31		Imports for Consumption From U.S.	Exports of Canadian Produce to U.S.	Excess of Imports Over Exports
1912	....	$330,428,502	$102,041,222	$228,387,280
1913	....	435,770,081	139,725,953	296,044,128
1914	....	395,565,328	163,372,825	232,192,503
1915	....	296,632,506	173,320,216	123,312,290
1916	....	370,496,574	201,106,488	169,390,086
1917	....	664,219,653	280,616,330	383,603,323
1918	....	791,906,125	417,233,287	374,672,838
1919	....	746,920,654	454,875,170	292,047,484
1920	1st 6 mos.	358,036,987	222,680,921	135,356,066

That the rate of exchange is against Canada in favor of the United States is due directly to the fact that Canada in her settlements with the United States cannot make use of the large balance which Great Britain owes this country, through the excess of Canadian exports to the Mother Country over the imports therefrom. If this could be done, the rate of exchange against Canada would not be an appreciable factor. On her total trade this country for several years has been piling up large favorable balances, but Great Britain's inability to make settlements in cash prevents this country from making full use of her favorable trade position, which is set forth in the following table:

Favorable Trade Balances

1916-17	$304,950,293
1917-18	576,517,109
1918-19	287,908,004
1919-20 (1st 6 mos.)..	127,673,685

The British Example

In considering the subject of international exchange, Canadians should apply to themselves a little of the philosophy which many writers on the subject credit the business leaders of Great Britain with adopting. In pointing out that the British are deliberately allowing the rate of exchange to take care of itself, they declare that, instead of this being a disadvantage, it is an actual benefit to British trade, since it discourages imports from the United States and indeed stimulates to that country the exports of British goods. This is explained on the ground that the value of the British pound sterling having been so reduced in the United States, the British are not as eager to buy American goods; on the other hand it is explained that the increased purchasing power of American money in the British market will induce a much greater importation of goods from Britain. That this reasoning is sound may be seen in the fact that, even though the rate of exchange is 12 per cent. against Great Britain, she continues to allow it to take care of itself.

Applying the same argument to Canada, the rate of exchange being against this country in favor of the United States should bring about a reduction in imports from that country and stimulate exports thereto. This is so because Canadians will not buy as readily in the United States if they have to pay from three to four per cent. more than the same articles would cost were the rate of exchange normal. By purity of reasoning the American is more likely to buy certain goods in Canada since by doing so his purchasing power is from three to four per cent. greater than it is at home. Considered from this standpoint the adverse rate of exchange, at which we, as a people rail, appears as somewhat of a blessing in disguise. It has set in operation influences that will tend to equalize imports and exports between the two countries.

Stimulates Exports

It is just such a stimulation of exports that Canada most needs. On every hand the cry is produce! produce! This increased production is requested not for our own needs, but in order that a larger surplus of exports may be built up. Farmers, manufacturers, merchants, and financial institutions derived such benefit from the huge export business developed by this country during the war that they naturally desire to see it continued. Indeed, should this trade seriously fall off, many large business concerns would be confronted with an embarrassing situation. But neither the bankers nor big business are prepared to stand by and allow matters to take their course for both without hesitation declare their willingness to provide reasonable credits, if such are necessary, in order that the country's present export trade may be held, and even extended.

It is thus with satisfaction that one notes that the exports of Canadian produce to the United States have been increased from $163,372,825 in 1913-14 to $454,875,170 in 1918-19, or over 2½ times in five years. Of course, during this time there has been a huge increase in imports, the figures having jumped from $395,565,328 in 1913-14 to $746,920,654; but this increase is only equal to 88 per cent. It is also the more gratifying to note that while during the last fiscal year exports of Canadian produce were increased by $37,500,000, imports from the United States declined $45,000,000; and the balance of trade against this country in favor of the United States dropped $82,600,000, as compared with that for the year 1917-18.

The best possible proof that Canada's trade with the United States is on a much better basis than it was before the war, is to be seen in that fact that while the volume of trade during 1918-19 was more than double that of 1912-13, still the balance of trade against Canada was actually less last year than during 1912-13. Imports from the United States are almost certain to decline, if for no other reason than that the war demand, which stimulated certain imports, has gone. In 1917, Canada imported from the Republic naval and military supplies valued at $149,930,130. These will be no longer required, and it is very probable that imports under this heading will fall to about where they were in 1914 when they totalled only $127. For the manufacture of munitions Canada imported from the United States unusually large quantities of raw materials and machinery that are no longer needed. In 1917-18 the value of coal, coke and charcoal thus imported was $74,285,676; while metals and minerals reached $197,668,527. A sharp reduction in these imports will make a big difference in the balance of trade. The growing use of hydro-electric power will also much reduce the demand for imported coal.

Interesting Figures

A few figures will suffice to show how Canada's exports to the United States are increasing. In 1914 the exports were $163,372,825 and in 1915, $173,320,216. In 1916 the figures were $201,106,488; in 1917, $280,616,330; while in 1919 they jumped to $454,875,170.

The classes of exports in which the increases are shown are of such a nature as to induce confidence that the aims will be maintained and they being such as the Americans will continue to need.

The exports of printing paper, which in 1913-14 amounted to $9,818,539 were $36,031,358 in 1918-19, and a continued increase is confidently expected. Exports of wood and wood products jumped from $34,354,362 in 1914 to $88,460,386 in 1919; metals and minerals also went from $38,984,735 in 1913-14 to $83,995,735 in 1918-19. It is furthermore to be noted that the exports for 1918-19 were $37,000,000 more than those in 1917-18 in spite of the fact that the value of foodstuffs exported dropped from $99,991,381 in 1918 to $48,407,760 in 1919. In only one class of exports to the United States, namely, explosives, may a serious drop be expected, and these were valued last year at $57,144,000. On the other hand, in apparel, drugs, dyes and chemicals, also textiles, in which Canada, all told, sent in 1914 but $2,060,000 worth to the United States, she sent $33,800,000 worth last year. Exports of agricultural products may also be expected to advance steadily. When the embargo on Canadian grain entering the United States is lifted there should be another decided increase in exports of this nature.

ECONOMIC FACTORS AFFECTING RELATIONS OF CAPITAL-LABOR

Continued from page 17.

production instead of encouraging it. When the full history of the recent attempts to control prices comes to be written, there can be no doubt that it will be seen that it is extremely doubtful if the attempts to regulate prices have in any case been successful in producing any but a momentary and limited reduction. It is even possible that, in addition to the cost of the regulation, which has been considerable, the cost to the public through the maintenance of high prices longer than might have been the case had there been no regulation, should be taken into account. During war time, supply is, however, of the utmost consequence, and if by administrative means exorbitant prices are prevented from being imposed at a critical moment, even though that moment should be brief, regulation may be fully justified.

Supply and Demand

In general, however, the only sound and adequate corrective for a condition of high prices is laissez faire—let prices go as high as they may. The higher the price the greater the inducement to produce. Given competition among producers prices will soon fall. Commodities in general are not subject to or even susceptible to monopoly, therefore, if the Government simply keeps its hands off, labor and competition will soon bring lower prices. Any artificial means of reducing prices is extremely apt to be employed in bolstering them up after they should have fallen if left to natural causes.

Instances abound of parallel cases in the same period where contiguous cities adopted different attitudes with regard to wages and prices. When one city imposed regulations of a stringent character forbidding the payment of wages or of prices for goods above a certain maximum amount, another city ostentatiously announced that within its walls there was no regulation, and that the highest wages and the highest prices would be paid there. The consequence was invariably that the second city was inundated with workers and with provisions, with the result that wages and prices were speedily both lower in it than they were in the other. The fixation of maximum prices sterilizes production and contracts supply. Anticipation of continuance of high prices stimulates production and increases supply. It is worth while to endure the high price of a moment if the prospect of increased production promises reduced prices in the near future.

If, instead of devoting energy to the arbitrary fixation of price, with the inevitable consequence of maintenance of relatively high prices, the Government devoted the same amount of energy to the facilitation of marketing produce by the removal of restrictions and by the provision of public market places and conveniences, it would confer lasting benefits upon the people. In Canada the economical marketing of produce has been very much neglected. In the cities the market facilities are grotesquely inadequate. In Toronto, e.g., the rural lines are prevented from entering city and thus the farmers round Toronto are handicapped in bringing their produce into the town. In the cities in England, and even more noticeably in France and Belgium, food is brought into the markets and peddled in the streets, so that the people are by no means left to the mercy of local shopkeepers, who no doubt sometimes take advantage of their customers by charging an excessive retail profit. Here, attempted regulation has its formidable disadvantages. The limitation of profit on the part of retail dealers has no other effect than in reducing the number of these retailers, and thus, on reducing the number of competitors in business.

Regulations are Oppressive

The ideas of arbitrary fixation of prices, of compulsory reduction of working hours, and of the determination of minorial wages are all popular ideas of the present moment. None of them are new. They have all been carried into practice in this or former ages, and they have been sufficiently tested by experience to enable reasonable conclusions regarding them to be formed. Throughout the middle ages and continuing to the close of the eighteenth century, systems of regulation of wages and prices were universally in operation in civilized countries. Then, about the beginning of the nineteenth century the regulative systems came to be recognized by the wide public as oppressive and as contributing rather to stagnation than to progress.

Bit by bit regulation—by the municipalities, by the state, by trade guilds and other similar organizations—were abrogated, and bit by bit the people emerged into something like freedom. The age of laissez faire may be said to have lasted from about the beginning of the nineteenth century up till about the beginning of the third quarter of the same century. Then began a series of invasions of individual liberty. It was very natural that these invasions should be coincident with an increase in political power of the general mass of the people. The same people who objected strongly to regulation from above saw nothing harmful in what they regarded as regulation from beneath. But regulation must be carried out by some administrative body and the enlargement of the area of regulation involved the enlargement of the mechanism and the personal of administration. In every country thousands of civil service positions were created and thousands of civil servants were appointed to fill them.

The cost of government increased enormously, that is to say, that the amount of his earnings which were taken from him for public purposes increased for every citizen of the state. It is hardly too much to say that every ten men in the modern state supports an eleventh man who regulates their lives for them. With the increase in the number of civil servants, there has come a condition of government which may fairly be called bureaucracy, in which the civil servants rule the country.

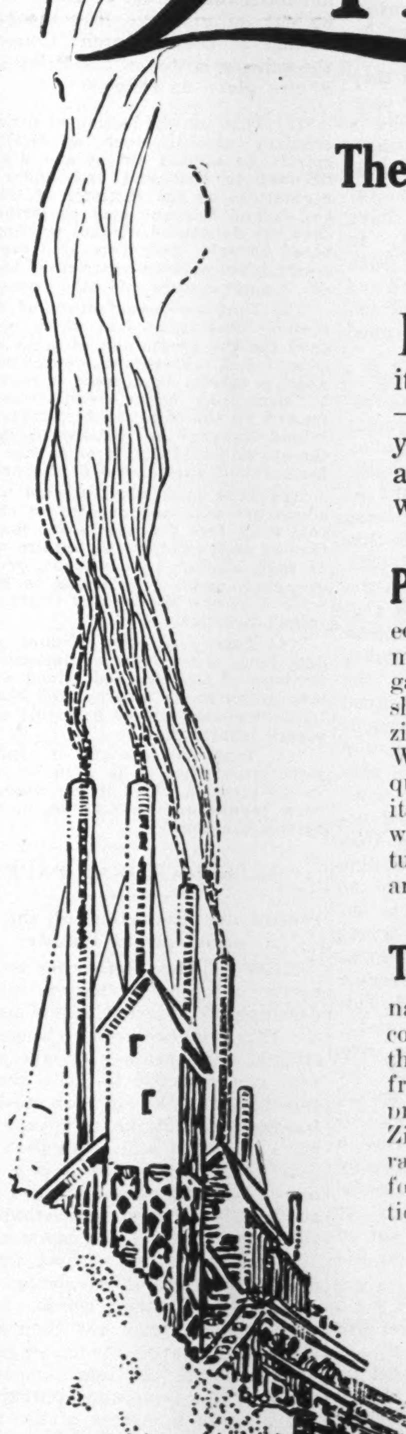
A Political Crisis

So long as the political heads of the administrative offices are experienced and far-seeing men, the power wielded by the bureaucracy is restrained, but with the advent to political power of new and untried elements, unacquainted with the technique of administration, the danger of bureaucratic government inevitably increases. In Great Britain and France, for example, the bureaucracy has of recent years greatly increased its power, and this result has been coincident with what is called the democratization of the legislatives. This country is undoubtedly on the eve of important political changes. The complexion of the provincial and of the Dominion Parliaments is altering rapidly. The consequences to the country will be favorable only if the new Parliaments keep a firm grip upon their own power and do not allow this to slip from their hands into those of permanent officials who are servants of the country and ought not to be permitted to be its masters. This implies, however, a duty devolving upon the constituencies to choose as members, not merely men representing particular political opinions, but men of sagacious and upright character. Unless this is done, Parliament must deteriorate into an assembly of delegates whose opinions may be inexceptionable, but whose conduct of affairs must be futile or worse.

The burdens upon the country are tremendous, but they can be sustained if the administration of the country is economical and skilful. The first thing to be done is the abolition of the large group of expensive and for the most part useless commissions, and the subordination of such part of their functions as may be found necessary to existing government departments. This will involve dispensing with a large number of civil servants and special employees who must be gradually reabsorbed into commercial or industrial life. The second thing is to suspend the process of subsidizing railways and other enterprises, and the next is to find some equitable means of imposing taxes sufficient to sustain the burden reduced as it will be by these economies.

The Latin-American Division of the U.S. Bureau of Foreign and Domestic Commerce prepares Latin-American circular on Brazilian automobile market. Gives foreign trade figures as approximating total annual value of $500,000,000 to $650,000,000. States that American motor-vehicle trade with Brazil in fiscal year ended June 30, 1919, was $800,000 more than in fiscal year 1918; $1,200,000 more than in 1917, and $1,300,000 more than in 1913, best pre-war year.

ZINC



The World's Production in 1918 Over $120,000,000.00

DO you ever stop to think about Zinc?—how important a part it plays in daily life?—how its production employs hundreds of thousands?—how it adds to the wealth of nations?—how you yourself live under the protection of Zinc, and are surrounded by utilities in the making of which Zinc is an important factor?

Protection When Zinc is mentioned, the average person immediately thinks of corrugated iron. This is really sheet steel dipped in molten zinc to make it resist rust. Where long service is required, the use of sheet Zinc itself is warranted, since it will resist weather for centuries without painting or any attention.

Daily Uses Zinc is the essential component of Brass. It is a necessity, therefore, in the "copper" coinage of all countries, and also in the thousand and one articles of brass in daily use. Piping, buckets, printing blocks, coated nails—these all help to create demand for the world's production of Zinc, which last year amounted to $120,000,000.00.

The Metal Zinc as it occurs in nature is generally found combined with sulphur. If the crystals are yellow and free from iron, it is a simple process to extract the metal. Zinc is a bluish white metal, rather brittle, and is notable for its resistance to the action of water and air.

In Other Forms The white Oxide of Zinc is one of the most important of preserving paints. Zinc ointment is only one of the uses found in the Pharmacopœia for the compounds of this metal. Electrical cells and apparatus demand the use of Zinc.

It is Zinc that preserves steel and iron, wood and fabrics. Quebec will help to supply the normal demand for the metal—an ever-increasing demand.

FEDERAL ZINC AND LEAD CO., LIMITED, MONTREAL

(No Personal Liability)

LABOR — Cutting Ruinous Turnover Cost

A Problem of Harnessing Mind Forces—A Cost of $84 For Breaking in Automobile Workers, and $100 To Try Out an Office Boy; $300 For a Superior Clerk.

By SHERWIN CODY, Editorial Staff "Forbes' Magazine."

The gigantic labor turnover is one of the wastes of modern business methods which the big corporations are preparing to face earnestly, and, it is to be hoped, effectively.

The tremendous amount of change during the war has in itself made necessary a general reorganization of office and miscellaneous forces as well as of factory forces. In the case of office forces there is no complication of labor unions or any form of collective bargaining. It is purely a matter of natural psychological conditions, of the mental attitude of employers and workers. In the past business men have thought themselves helpless in the face of forces of this kind. They have looked on mental conditions much as they would on electrical storms, hot weather, and other visitations of nature, which had to be weathered somehow, but which could not be avoided or changed. They begin to see that these natural mind forces can be harnessed and can be controlled.

HOW THE COSTS MOUNT UP

A typical mid-western factory employing 3,000 factory workers and 300 office employees has confessed to a turnover of 300 per cent. in the factory and 120 per cent. in the office last year. The cost of this on the basis of $84 for each factory worker and $50 for each office worker shows the following costs:

9,000 factory workers	$756,000
360 office workers	18,000
	$774,000

The Cost of Labor Turnover

Let us try to get some idea of what the constant change of personnel costs. When a new employee is put on, the following items of cost must be taken into account:

1. Want ad. advertising.
2. Time of employment manager in interviewing 10 to 25 to find who can be used.
3. Time of office manager in explaining duties to newcomer.
4. Time of other employees in explaining duties.
5. Unproductive work during two or three weeks of learning.
6. Space and equipment used during period of learning.

The secretary of the Retail Dry Goods Association estimates that this amounts to $54 in the case of a clerk in a department store where large numbers are handled wholesale and the cost is kept down to the minimum.

A bank employment manager estimates that it costs $100 to try out an office boy, and $300 a superior clerk in a bank.

Some have made estimates that the cost runs, for office employees of various kinds, from $25 to $100, but careful students have come to the conclusion that this is much too low. A writer in "100%" estimates $84 for breaking in each worker in an automobile factory as moderate.

One of the big magazines of national circulation actually spent $1,000 on want ads. alone during September, 1918, to maintain its office force of 800. This was high water mark, but the total for the year was a big sum. The statement has been made that the National City Bank in 1918 put on 2,000 employees to maintain its then force of 1,200, which now has been much enlarged. The present writer has learned on good authority that Thomas Edison last year had a change of 60 per cent. in office employees and 160 per cent. in factory workers—and this was about half the average of similar concerns in this district. With a force of 3,000 factory workers and 300 office employees, if we assume a minimum cost for each change as $50, we get 4,800 factory workers put on at a cost of $240,000, and 180 office workers at a cost of $9,000. The writer knows personally of a factory of this size where the turnover was 9,000 industrials (at $84 each this would amount to $756,000) and 360 office workers.

Of course, these figures are merely suggestive. The variations in individual cases are enormous. But every one will admit that the cost of labor turnover is very, very large.

Before the war there were no such conditions in Europe. The changes were, if anything, too small for efficiency. This huge change of personnel is a peculiarly American condition. It has increased in America from the time when it was quite moderate and reasonable to the maximum of the war. The war change has, however, merely served to emphasize the serious condition that had been developing and brewing for a long time.

Reasons for Shifting

What are the reasons for this tremendous shifting?

First.—Probably the biggest cause is nervous restlessness of spirit on the part of American people. Monotony wears on their nerves and they shift about to relieve the galling pressure, as they consider it. This is probably an inherent characteristic of a nervous people, and is a condition that must be reckoned with for a long time to come.

Second.—Wages are too low for efficiency. It is well known that the highest unit of production goes with a certain correct wage unit, which is usually considerably higher than the average. When Henry Ford raised his minimum wage to $5 a day, it was reported in the newspapers that the Dodges, who were minimum stockholders in the Ford business, said they felt much as if Henry Ford had reached down into their pockets and taken out a million dollars. But during the following year the increased production of the Ford factory showed that the unit cost of production had been lowered decidedly. In other words, when a man gets $2.50 a day he does work worth $2.50, and when he gets $5 a day he does work worth $5. But, of course, there is a limit to this principle, and only experiment will tell just what is the wage that will produce the lowest unit cost of production.

Third. — Working conditions may not be agreeable. Light, air, and space may be inferior. Such concerns as the National Cash Register Co. have increased their production by building factories with tremendous window space, scientific ventilation, rest rooms, etc. They have even gone so far as to build pleasant cottages surrounded by flower-gardens to improve the home conditions. The whole welfare movement, now widely recognized, has done a very great deal to hold down the labor turnover.

Fourth.—The mental incentive to work in any given concern may be poor. People like to work where they can accomplish their best. They take pleasure in successful work. There is a mental delight in having their powers brought out. The old slave-driving methods, with a tyrannical superintendent or manager, have proved their distinct inferiority to methods of mental stimulation such as characterize the bonus system and a method of helpful personal encouragement and the incitement of good example.

Fifth.—Last of all, methods of selection and placement are confessedly very imperfect. Employment managers seem to depend chiefly on personal appearance. A careful checking up of the employment of Y.M.C.A. secretaries showed that this was practically the only consideration that actuated the great majority of officials who chose and appointed secretaries. There can be little doubt that among these five points least progress has been made in determining ability for the work except by trial in the work itself. Anybody who looks good according to the personal judgment of the employment manager gets a chance, and those who fail to produce a proper amount of good work are either discharged or leave because they themselves realize that they have not got into the right line of work. They themselves have no means of knowing what they can do till they try, and so they go trying many different places by way of measuring their powers and discovering their best chance to make good. This seems to be an unnecessarily costly way of learning what abilities are, both for the employer and for the worker. The process of trying around costs the employer a large amount of money, and it costs the worker a great deal of valuable time in getting started in permanently successful work. This applies especially to young workers as they come out of the public schools and start their life careers at an early age.

Meeting the Problem

How is business going to meet this problem?

Wages are the subject of most intense study on the part of all classes in America, and in fact all over the world. Unfortunately, too much attention seems to be paid to bargaining, and all too little to the scientific study of what wage will produce the lowest unit cost of production, a study that must always be linked with the third factor, namely, working conditions. Too often employers have thought they would satisfy their employees by improving working conditions and leave wages low; but this is a mistake. The two must go hand-in-hand.

Modern applied psychology has begun to show thoughtful employers that there is indisputably a way to manage the minds of employees so that they will take a keen personal pleasure in hard work. The bonus system is the first tangible offering in this line. There can be no doubt that it is a good thing if it is intelligently used. But it is confessedly limited in its scope, and study along this line unquestionably must be enormously extended.

The one suggestion for more efficient selection is the use of mental tests of accuracy and speed in performing representative mental acts; and it may be added in simple physical measurement as well. Some of the larger corporations have established systematic physical examinations under a competent physician. Most of them are probably ready to admit that theoretically this is a good thing.

The companies that are pursuing this line of investigation are taking it up from three different angles at the same time: 1. There is the question of the ability of the applicant for employment to do the work required. 2. There is the choice between passable workers on the ground of which can do the most work for the money. 3. There is the matter of getting a measure of improvement on which an educational and development plan can be worked out.

Selecting applicants and developing applicants, it has been recognized must go hand in hand.

INDUSTRIAL ALCOHOL

Its Manufacture Is Urged in Canadian Distilleries

In connection with the work of the Honorary Advisory Council for Scientific and Industrial Research, the possibilities of industrial alcohol have been thoroughly investigated and the whole question is fully dealt with by Dr. A. B. Macallum, administrative chairman, in the annual report for the year ending, March 31, 1919. He points out the absolute necessity of its use in a large number of lines of industry. It is defined as being very largely ethyl or grain alcohol mixed with some substance which will render it unpotable, but not unfit for the use to which it may be put industrially. The recommendations of the Research Council to the sub-committee of the Privy Council are given as follows:

"(1) That the production of denatured ordinary alcohol, such as methylated spirits, be carried out at any distillery licensed to that end and under such regulations as the Minister of Customs and Inland Revenue may prescribe, and that the denatured alcohol so manufactured be sold, duty free, delivered and transported without restriction to dealers, manufacturers and other persons.

"(2) That the manufacture of special alcohol—that is, alcohol which is to be used for the production of some chemicals, ether, chloroform, etc., and for which a special denaturant is required—be permitted under regulations prescribed by the Minister of Customs and Inland Revenue in distilleries licensed thereto and sold duty free to the manufacturers of such chemical preparation.

"(3) That pure ethyl alcohol without admixture with any denaturant shall be sold duty free for use in the manufacture of such products as require the use of such alcohol as a solvent, precipant or agent, under regulations to be prescribed by the Minister of Customs and Inland Revenue.

"(4) That pure ethyl alcohol be sold duty free, under such regulations as the Minister of Customs and Inland Revenue may prescribe, to incorporated hospitals, to universities and to scientific and research laboratories.

"(5) That the recovery of alcohol by distillation after it is used be allowed in the plant in which it was used, under such regulations as may be prescribed by the Minister."

INTERNATIONAL PAPER

Profits are Reflection of the Prosperity of the Industry

NEW YORK.—Reflecting the prosperity of the newsprint industry, earnings of International Paper Co. for 1919 will be large. Conservative estimates of earnings for the current year run from $25 to $35 a share before taxes on the common stock. If International Paper this year earns $25 a share, it will mean that in the four years since 1916 it has earned more than $100 a share on the common stock. This amount was actually added to the value of the common stock as during this time nothing was paid out in the form of dividends on the common. In other words, in four years the company has been able to show earnings on the common stock of more than the total amount par value of this issue and approximately $37 a share in excess of the market value at the close Tuesday.

Company for fiscal year 1916 showed $24.85 a share earned on the common; $34.02 in 1917; $18.47 for 1918, and estimating earnings for the current year at $25 a share, makes a total of $102.34 earned on the junior stock in four years.

BUSINESS BUILDERS LIMITED OFFERS

MAGNET METAL & FOUNDRY CO., LIMITED

Incorporated under the Laws of the Province of Manitoba, with an Authorized Capital of $150,000.00

7% CUMULATIVE PARTICIPATING PREFERENCE SHARES, $50,000.00

CONSISTING OF 5,000 SHARES OF $10.00 EACH, AT $105.00 FOR TEN SHARES

PRESENT ISSUE—SECURITY.

(1) Preferred shares share equally with the Common shares in dividends in excess of 7%. Therefore, the rate of dividend that may be paid is unlimited.

Preference shareholders have security in the shape of land, buildings, heavy plant, foundry patterns and boxes and other assets of a fixed or permanent nature amounting to over $100,000. This gives $2.00 security for each $1.00 of Preferred Stock outstanding. Increased assets will later be provided with the extension of the plant to take care of business offered.

OFFICERS AND DIRECTORS

President
HUGH R. EADE
Vice-President
A. E. DONOVAN, Manager, Cushman Motor Works of Canada, Ltd.
Directors
A. R. D. PATERSON, Paterson & Waugh, Fire Insurance Adjusters.
W. R. INGRAM, Swift Canadian Co., Ltd.
E. G. POWELL, Kelly-Powell, Limited.
J. B. COYNE, Coyne, Hamilton & Martin.
ALBERT HOILAND, Pres. Hoiland Manufacturing Co., Fargo, N.D.
HAMILTON ECHLIN, Echlin Mfg. Co.
Secretary-Treasurer
A. DARTNELL
Solicitors
COYNE McVICAR & MARTIN, Union Trust Bldg., Winnipeg.
Bankers
IMPERIAL BANK OF CANADA.

(2) PROPERTIES: The property of the company includes a block of about 2½ acres in the City of Winnipeg, provided with a spur track; electric lighting facilities; steam heated; yards and shop served by electric and hand cranes; street cars pass the door; internal surface transportation system. Properties valued as follows: Real Estate, $20,300; Buildings, $33,000; Heavy Plant, $21,800; Movable Plant and Equipment, $24,900.

(3) GOODS MANUFACTURED—The company will specialize on certain farm implement lines which will be easily disposed of. Under resolution of the Directors the entire output will be sold only to well-established manufacturers and wholesalers.

(4) MANAGEMENT: All members of the Executive Staff are shareholders in the company. The management is composed of men of wide experience and unusual ability in their respective lines, and are supported by a loyal and capable group of foremen and assistants.

BUSINESS BUILDERS, LTD., 301 Enderton Bldg.,
Winnipeg, Manitoba.

I hereby agree to purchase from you....................7% Cumulative Participating Preference Shares of Magnet Metal & Foundry Company, Ltd., and agree to pay the sum of $..................as follows:—

....Dollars Cash,

Balance ....

....
SIGNATURE

GAS
LIGHT
POWER

For Industrial and Commercial purposes in the cities of

WINNIPEG
AND
ST. BONIFACE

Low Rates. Dependable Service.

Many Industrial Sites Available.

Winnipeg Electric Railway Co.

A. W. McLimont
Vice-President and General Manager

"OUR" COMPANY—the New Idea in the Industrial Establishment

Aiming to Create a Wholesome Atmosphere Where Strikes Are Unknown and Not Wanted—Some Ideas That Are Bringing Results and Which Are Well Worth Passing On to Others—Bonuses, Holidays, Stock Distribution, Houses, Etc.

By A. R. KENNEDY, Editor "Canadian Machinery."

TO the right is the certificate of good character that one busy industrial concern in Hamilton prizes as highly as anything that has come its way. This particular certificate is not an embossed affair, neither is it framed, but it tells, in the heartfelt words of one of the foreign employees, just what the Benefit Club of the workers had done for him. His child had died, and the Club had seen to it that there was a decent funeral, with a generous showing of flowers. They had succeeded in making that poor lone foreigner know they cared for him. The "Adam" mentioned, by the way, was the foreman.

> *Respectable Company:—*
>
> *I send you heartful thanks for the flowers which were received on Saturday, and I am much better now.*
>
> *I greet all those in the office and also Adam.*
>
> *(Signed)*
>
> *W. PANEK.*

Does this sort of work pay? Well, if you doubt it, a visit to the office and works of the Dominion Sheet Metal Corporation, in the industrial east end of Hamilton, will do considerable to iron out any skepticism that may linger in your system. The office is not far from the factory, and I mean that in more ways than one, both in distance and feeling and understanding. It was about 96 in the shade the day I was at the works, but there was ice water out in the factory just the same as in the office —in fact it didn't take long to "feel" that there wasn't much need of a strong organization in the works to see to it that the men got a square deal from the office. And there was a little notice posted up just outside the superintendent's office announcing that on a recent date the wages of all the men in the place would be advanced two cents an hour. No, there hadn't been a strike, not even a threat, nor yet a deputation from the men. Business warranted it, the men deserved it, and what more should be necessary?

Perhaps a Bit Modest

A. T. Enlow, president and general manager of the company, is no theorist about conditions in the industrial world. He likes to turn on the steam and see how it works in reality.

But he has imperfections. From the standpoint of the interviewer he's too modest. He likes to soft pedal the stuff that would make a story stand right up. He seems to have a large-sized and very wholesome regard for the feelings of any of the men who have been helped a bit by the plans he has put into operation. We'll not use the word "schemes" in connection with anything that has been done at the Sheet Metal's plant, because there is nothing of the "scheme" idea about them. As far as I could judge there was straight, honest-to-goodness proposals, and there was "something in it" every time for the men in the shop.

Mr. Enlow probably has several reasons for the manner in which he conducts his business. One of them is that he likes to do it. Another is, so I was told by a friend of his, that in the beginning of his own career in business he was gouged pretty hard by the money-grabbing sort of employers, followed later by contact with big-hearted, noble-souled types and it aroused in him a determination, if the opportunity ever afforded, to employ the latter system. Then, too, and Mr. Enlow will admit this, he considers there is a large element of self-preservation in it, as far as the company is concerned. He is anxious to build up that greatest of all things, an organization from the office right through the factory that's working, and intends to keep on working for "our" company.

Not An Old Company

The Dominion Sheet Metal Corporation is not an old concern. It started to operate in 1915. The business is growing nicely, and a nice addition is planned for this year. Through all the time from the start to the present there has not been a man laid off, and the employees who hold stock have never been told that the dividend for the quarter or for the year has to be "passed."

To get at the thing right it might be well to start from the beginning. I'm not particularly interested here in the growth of the concern in a dollars and cents way, but more in tracing what can be found of the new feeling that must come more and more to the front in the industrial world. In 1916, it was decided to make a start with a five per cent. bonus to all who were in the employ of the firm on the 20th of December. Made a nice little Christmas present, and likely served as the corner stone for the many other things that followed.

1917—The same five per cent. bonus was continued, and this time the staff were given an additional yearly bonus. The "Benefit Club" was also born this year, but the workings and particulars of this will be given later.

1918—Ten per cent. bonus to all; yearly bonus to staff; Benefit Club work enlarged; Garden Club and a tonnage bonus to the shop force.

1919—Staff bonus, tonnage bonus, the yearly per cent. will be paid, Benefit Club doing more and better work; stock offered to employees on very generous terms, and vacations for all with the time paid for by the company.

The Benefit Club Idea

Taking the name from the well-known brand of the shop, "Premier," the name of the Benefit Club is the "Premier." "All the employees put in fifty cents a month each," stated Mr. Enlow. "In fact it is no use having a benefit club if the men do not put some of their own money in. The company's share in the work comes from putting in the bonuses of the men who quit before the year is up. We simply take the yearly pay roll. We know what the total on that should be for bonuses, and we know what we have paid out. The difference goes to the Benefit Club. In 1917, we put in $780 and in 1918, $1,800. In this way the company does not gain in any way by an employee leaving."

At the outset plans were laid for quite an imposing set of rules and regulations. But then it was decided to try simpler, and now, as far as I can gather, the rules and regulations state that the Premier Benefit Club exists for "social and beneficial purposes." Well, that's pretty broad and pretty general. In fact it might be said that the sky's the limit as far as being confined in any one direction. But it works at any rate, and the letter quoted at the first of this article shows how the work is reaching home in a very certain and a very much appreciated way. This Premier Benefit Club does a number of things that it would be very hard to set down rules and regulations for. There are times, as in every other community, that the stork sees fit to visit the homes of some of the members. And after that call is over it is quite necessary and proper that a bit of a chariot be provided for the new arrival. Such cases have been attended to by the Premier Benefit Club. It would be mighty hard to draw up a set of rules which would cover such a happening, but without too many rules it is easy. Then again when a wedding takes place it is necessary—desirable at least—that something should be done. The committee thinks it over, and goes to it. When the "flu" came along there were, in the latter stages of the epidemic, several homes of employees invaded by the malady, and little ones were taken. There was nothing in the constitution either to hinder or suggest what action should be taken. But there was something better, the will to do the right thing. And so it was that on several occasions a good burial was made possible, and there was a nice showing of flowers, and nothing is more sacred, especially to the heart of the foreigner, than that a funeral from his house shall be conducted decently and in good order. There are a dozen more ways of looking after men than simply seeing that they draw a certain limited amount when they are sick, and the Premier Benefit Club, is finding this out, and having a good time from it in the meantime.

The capacity of the galvanizing plant—for galvanizing is really the first and last work of the plant—is thirty tons per machine per day.

By careful planning and close application it is possible to shove the lid off that limit by quite a fair margin. So it was that early in 1918 a bonus was planned for the men engaged in the galvanizing operations. This worked well, but it was not broad enough. "All the men in the shop could not work on that particular operation," stated Mr. Enlow. "and so we recognized that they could all hinder or help the output. So we simply made the bonus applicable to the whole shop. As soon as the 30-ton output for the day has been reached we pay one cent per hour for each additional ton. That is, if the output for the day is 35 tons, the men in the shop get an extra five cents per hour for day. I guess it averages about $10 per month to each man. And here's a little something," laughed Mr. Enlow, "that others may not have found out yet in the payment of bonuses. Put the bonus in a separate envelope. You know there are a good many married men in every shop, and good, well-trained chaps that they are, they like to present the pay envelope unbroken at the house. And they like to have this little bonus as something entirely their own. It is a good plan to keep the bonus separate. It takes only a little bit of work, the men want it that way, so that way it is around here."

Yearly Bonus to Staff

Depending on efficiency and service, there is a bonus paid to the staff, the exact figures of which, of course, are not for publication. I saw some of the figures though, and it is sufficient to say that they are large enough to earn the name of bonuses.

"You know," continued the president of the company, "it does not do to let a good man get away from you too easily. So we pay the bonus according to worth and service. We are starting now to pay quarterly instead of annually. We find that is far more popular with the men. It may amount to about the same in a year, but it comes four times as often and very often comes just when it is needed. For instance, a bonus payment coming due at this time of year is going to help quite a bit when a chap is considering what he and his wife and family are going to do about the holiday business."

Holidays For All Concerned

The company is adding another sprout to the tree this year in vacations for all. That is just what it means. Several years ago, after the Sheet Metal Corporation got established in Hamilton, they bought a piece of land in the best hunting ground of Northern Ontario. A car was sent up in that direction with a goodly supply of their own material and a snug little cabin was set up in the woods. The superintendent was asked to keep an eye out during the season for the men in the plant who were doing good work. Well, along in the fall the list was made out and the lucky, but deserving dozen, were told to quit work and get ready. The company staked them to the grub pile a chef, dogs, guide, guns and ammunition, and they set forth to shoot up the North for a couple of weeks in the hunting season. I haven't time here to tell just what the men say of this trip. But it was not only a good time for the dozen, it was the planting time for the general holiday seed.

"After these men had gone," remarked Mr. Enlow, "I thought it over again, and it occurred to me that they can't all be stars. There must always be the average man, just as deserving as the other chap who is perhaps a little more brilliant. So this year we are going on with the hunting expedition plan just the same but we are going to give every person a week off with full pay."

Selling Stock to Employees

If the agreement between the company and the employees, presented below, is carefully read, it will be seen that there is an effort to make it possible for the employee to get his stock paid for quickly crediting him with the earnings of a like amount of common stock. He is really earning 14 per cent. on his stock during the period of payment. He is guaranteed eight per cent. after that, and a desire on the part of the company to protect itself again anything unseen that may happen in the future keeps it from putting in writing any further promises. The desire is there, and it would not be surprising if better than eight per cent. were done after the stock is paid up, although it must be admitted that there are mighty few eight per cent. propositions available at the present time.

Here is a copy of the application for preferred stock of the company. Just to show how it works out the blanks have been filled in as though the amount were five shares:

June 28, 1919.

To Employees of Dominion Sheet Metal Corporation, Ltd.

Kindly note conditions of this issue and signify your consent to same by signing this agreement in duplicate, retaining one copy.

Your allotment is five shares.

The certificates will be dated June 1st, 1919, and carry regular 2 per cent. quarterly dividends from that date.

You agree to pay $10.00 each month beginning June, 1919, which payment is to be applied against total of $500.00 in purchase thereof.

In addition dividends of 2 per cent. will be credited as declared and paid by Dominion Sheet Metal Corporation, Ltd. No interest will be charged on unpaid balances under this agreement.

At the close of our fiscal years, November 30th, 1919, and 1920, you will receive credit to correspond to the annual rate of dividend paid on the same number of common shares of the corporation's stock, and quarterly during 1921 at the quarterly rate paid on corporation's common stock until final payment is made.

When final payment is made the stock will be delivered to you by Dominion Sheet Metal Corporation, Ltd., and thenceforth will carry regularly quarterly dividends as paid on corporation's preferred stock.

Prior to final payment, or on termination of your employment before final payment. you shall be entitled to transfer your interest to any other employee who will agree to pay balance on original terms, and who shall receive the same dividends and credits, or to sell stock to anyone not an employee provided said purchaser pays balance due to Dominion Sheet Metal Corporation in one payment forthwith, and who shall thereafter receive regular dividends as declared and paid on preferred stock.

It is agreed that Dominion Sheet Metal Corporation, Ltd., shall retain stock in their keeping until final payment.

The employees subscribed under this plan for one hundred and eighty shares, against which one hundred shares, par value $10,000, were allotted for the initial issue.

The Housing Problem

Eight of the company's sixty employees who were confirmed "tenants" bought houses during the past two years. There would undoubtedly have been more if the company's list of employees had been larger. But it is growing. Mr. Enlow can hardly hide the fact that he is just a little bit proud of the class of houses that his men are getting. He doesn't like the "housing" scheme in the ordinary sense of the word. I don't think he would like to have the employees of the Dominion Sheet Metal Corporation living in a row of houses all the same, with no front yards, and no back yards and no play ground but the street. "The average value of the eight houses of employees who went into the housing business this year was $4,400," stated Mr. Enlow. The company has no housing scheme in the generally accepted meaning of the term, but I happen to know that Mr. Enlow makes it his business to find out how and where the men in the shop live. He has gone to more than half a dozen this year and advised them to buy. When that big problem of making the first payment so that there should be no second mortgage has come up, the president has done the solving. These eight required an average of $560 to finance the start. They got what they needed. They went in and bought the house they wanted in the district they wanted. They didn't have to buy where the company wanted to build, nor did they have to locate across from the shop. The houses are pretty well distributed. Four of the eight don't owe Mr. Enlow any money now, and the other four are coming along splendidly with their monthly payments. There is no set policy for the company in this regard, but there's something quite a bit better, for here's what the president of the concern told me: "You can't have contented and happy conditions in a shop until you have your men living in good homes under good circumstances. The men don't live in the factory all the time, and a home life has a lot to do with the efficiency of the man."

And there are other things that go on around the plant at Hamilton, but they are not going to be printed in full here. But there is a good feeling in the office toward the factory, and there is a good feeling in the factory toward the office. That place is going to grow. If it doesn't, then all the laws of right and wrong must be shot to pieces. There is a nice addition going on this year, right across the front of the premises. It is shown in the picture of the works in this article.

Out of it all Mr. Enlow is getting something bigger than dollars or dividends. I imagine that at times he has a pretty good session watching these plans work out, and I know that the letter from the foreigner, Panek, in which he addressed the concern as "Respectable Company," was remarkably well preserved.

"Any trouble keeping our hands here? Not now, or even when the munition making was on," said Mr. Enlow in conclusion. "We feel that we are under a moral obligation to keep our men at work steadily. This plan of laying men off just as soon as work falls off a little is not right. It sets the worker back too far. It is the steady position with good conditions that will hold your men and secure results. When munition making was on we used to have foreigners right at our office door trying to take our men away to jobs where they promised them twice as much on piece-work. Some went, but they came back, and we took them on, and they are still here. I would not say that all the things we try out are practicable all over, but they work here."

There's somewhat of a wholesome philosophy to the entire surroundings at the Dominion Sheet Metal Corporation. It's not bound up with red tape. I imagine that if any man in the plant had a complaint that could not be adjusted with the foreman or the superintendent, he wouldn't have much trouble in getting a hearing with the president. The atmosphere is not there for breeding trouble. Although none of the company officials said so, it looks as though they had decided to go ahead and get something better rather than wait around for something worse to arrive.

AHM System

Footwear Headquarters

AHM System

From coast to coast, Ames Holden McCready Limited is Headquarters in Canada, not only for leather shoes but for

Rubbers

Canvas Footwear

Tennis

and

Outing Shoes

Felts

The normal requirements of every Canadian retailer can be supplied by this company.

More than 5,000 retailers already appreciate the convenience and economy of concentrating their purchases with a house which can and will give prompt and dependable stock service on all varieties of footwear.

AMES HOLDEN McCREADY LIMITED

T. H. RIEDER, President

"Shoemakers to the Nation"

HALIFAX ST. JOHN QUEBEC MONTREAL OTTAWA TORONTO
LONDON WINNIPEG REGINA CALGARY EDMONTON VANCOUVER

INCREASE YOUR INVESTMENTS IN VICTORY BONDS

THE Spanish River Pulp and Paper Mills, Limited, was organized in 1910. It succeeded to and acquired the property of an earlier corporation known as the Spanish River Pulp and Paper Company, which owned the Espanola mill. In 1912, the company absorbed the Ontario Pulp and Paper Company, and in 1913 acquired the property of the Lake Superior Company, Limited, including the mill at Sault Ste. Marie. The capitalization consists of a bond issue of which there is now outstanding $8,726,000; an issue of $1,606,000 second mortgage debentures and issued capital stock of $13,700,000, of which $5,700,000 is in 7 per cent. cumulative preferred shares and the rest in common shares, making a total outstanding capital of $24,032,000.

The present administration of the Company's affairs is in the hands of unusually competent and successful executives.

MILLS AT
Sault Ste. Marie
Espanola
Sturgeon Falls

The president, Mr. George H. Mead, is one of the best-known experts of the paper manufacturing business. To his excellent judgment and foresight the present mill at Sault Ste. Marie owes its efficient layout and other exceptional qualities.

Mr. Percy B. Wilson, the vice-president, administers the financial affairs of the Company, and gives his personal supervision to its general business.

The Company has over 2,000 shareholders, scattered throughout Canada, the United States and Great Britain. Its bonds are held chiefly in the latter country. It is indebted to the holders of its preferred shares an amount approximating 35 per cent. on $3,000,000 accumulated since July 1, 1913, and about 28 per cent. on $2,700,000, accumulated since July 1, 1914.

But the financial position of the Company, which in 1914 was such as to necessitate postponing payment of its bond interest due in 1915 and 1916 until 1922, as a measure of precaution, has been very greatly strengthened since that time. This year the Company has issued notices to pay off the postponed interest on the bonds of the Lake Superior Paper Company, Ltd., the Spanish River Pulp and Paper Mills, Ltd., and the Ontario Pulp and Paper Co., Ltd., also all the promissory notes which were due in 1922, but which will be paid on the 1st February, 1920.

On the 1st March, 1920, the Company will also redeem the $330,000 of Second Mortgage "A" Debentures. To finance these payments the Company is issuing $3,500,000 6 per cent. serial mortgage lien ten-year notes, part of an authorized issue of $5,000,000. From its latest reports the Company is found to be in excellent financial condition.

NUMBER OF MEN	
Woods	5,000
Sault Ste. Marie	800
Espanola	500
Sturgeon Falls	450
Total	6,750

The last issued statement of the Company shows the net revenue for the year ending June 30, 1919, as $2,757,964, an increase of $1,028,733, as compared with the $1,729,231 earned in 1917. After deducting interest charges of $799,975, the net surplus for the year was $1,456,921. From this $160,000 was deducted for Government taxes and contingencies, leaving to be added to the consolidated profit and loss balance of $1,071,301 from last year a sum of $1,296,291 or a total of $2,368,222 to be carried forward.

A comparative profit and loss statement of the Company for the last five years is given on this page.

The Spanish River Pulp & Paper Mills, Limited

Manufacturing Newsprint Paper, Hanging or Wall-paper, Board Products, Groundwood Pulp, Sulphite Pulp.

GOOD BUSINESS REASONS
FOR BUYING VICTORY BONDS

Abundant investment in VICTORY LOAN argues abounding confidence in Canada.

By their own abounding confidence in their country Canadians have made Canada the dominant Dominion it is to-day.

Back of Victory Bonds there is the sound security of Canada's almost limitless resources, and the unbeatable determination of the Canadian people.

Every dollar of Victory Loan is to be expended in Canada for the benefit of Canadian business, Canadian wage-earners and Canadian citizens who include, of course, Canada's citizen soldiers returned from overseas.

Enthusiastic investment in Victory Loan by Canadians within Canada is immensely more advantageous for the country than if the money had to be raised by a foreign loan. To invest in Victory Bonds is to help materially in improving Exchange.

Investment in Victory Loan means increased industrial activity for Canada. It means that the wheels will be kept turning productively and that through increased production of commodities in eager demand from her abundant raw materials, Canada will recover with swift resilience from her heavy war expenditures. The success of the Victory Loan makes for prosperity. Steady employment is dependent upon prosperity. Without prosperity uncertainty, and perhaps depression will follow. There need be no uncertainty about Canada. There can be no depression if Victory Bonds are bought eagerly from coast to coast of the Dominion.

Comparative Profit and Loss Statement of the Company for the Past Five Years

	1919	1918	1917	1916	1915
Net Revenue	$2,757,964	$1,729,231	$2,117,734	$1,324,390	$1,019,577
Depreciation	501,068	344,137	260,821	145,172	104,129
	$2,256,896	$1,385,094	$1,847,913	$1,197,218	$ 915,448
Interest	799,975	807,519	718,409	765,927	770,639
	$1,456,921	$ 577,575	$1,129,504	$ 431,291	$ 144,809
Adjustments	160,000	....	....	....	38,519
	$1,296,921	$ 577,575	$1,129,504	$ 431,291	$ 106,290
Previous balance	....	993,726	699,621	268,330	162,040
	$1,071,301	$1,571,301	$1,829,125	$ 699,621	$ 268,330
Written off	....	500,000	835,399	....	....
Profit and Loss Surplus	$2,368,222	$1,071,301	$ 993,726	$ 699,621	$ 268,330

DIRECTORS:

Geo. H. Mead, *President* P. B. Wilson, *Vice-Pres.*
T. Gibson, *Secretary* C. E. Read J. G. Gibson
T. Watson Sime G. R. Gray

AMONG the prosperous pulp and paper manufacturing concerns of Canada, the Spanish River Pulp and Paper Mills, Limited, with their triple plant, take a prominent place. Fully one-fifth of the total production of pulp and paper in the Dominion is manufactured by this Company, with an additional output over and above its own requirements of about 10,000 tons of mill board, and 30,000 tons of sulphite. A still greater output is already in sight for owing to the increasing demands of the Company's regular customers, the installation of two additional paper-making machines with a capacity of 100 tons a day has become necessary, and these machines are being installed now at Espanola, and will be running by November 1st of this year.

Owning and controlling timberlands to the extent of at least 18,000 square miles, thickly wooded, and exceedingly accessible, the Company is in a splendid position for developing and increasing its productivity and profitable scope of operation.

DAILY CAPACITY	
Newsprint	460 Tons
Groundwood	400 Tons
Sulphite	220 Tons
Board	35 Tons

Already the Company's annual turnover is in excess of ten million dollars, and with increasing demand, and enlarged powers of production this figure will soon be surpassed. The financial strength of the Company is such as to ensure its profitable activity and development, the present time being a period of vigorous growth. An asset of importance besides the immense acreage of pulpwood reserves consists in the waterfront property and acreage at Sault Ste. Marie. This is a 60-acre tract of land with advantageous railway access and connections. Here modern wharves and harbor developments in harmony with Dominion Government developments on the same lines are being arranged for and carried out.

Owning and operating three widely-separated mills, located, respectively, at Sault Ste. Marie, Espanola and Sturgeon Falls, Ontario, the Company is particularly fortunate in their location, not only with respect to the comparative proximity of its woodlands, from which their raw material is drawn, but also on account of the accessibility of its market and shipping facilities both as to rail and water routes.

No less than three railway lines, the Canadian Pacific, the Algoma Eastern, and the Algoma Central skirt the Company's several properties, while the Sault Ste. Marie mill, located at the foot of Lake Superior, has the additional advantage of access to the water routes of the Great Lakes.

RAW MATERIALS (Daily Consumption)	
WOOD	750 cords
COAL	450 tons
SULPHUR	27 tons
LIMESTONE	30 tons
LIME	6 tons
CLAY	10 tons
ALUM	40 tons
ROSIN SIZE	20 tons

Moreover, these mills have quite recently been brought up to a high state of efficiency and productiveness by the expenditure of upwards of $2,500,000 in new equipment and betterments.

The advantages thus acquired are being reflected in lessened costs of manufacture and consequent increased returns to the Company.

Together the three mills now constitute a self-integrated and perfectly-balanced property, capable of yielding a maximum production at a minimum of expense. Their annual wood consumption approximates 250,000 cords.

BUY MORE VICTORY BONDS AND INCREASE CANADA'S PROSPERITY

LABOR'S CREED—The Four Factors and What They Stand For

The "Reactionaries," "Moderates," "Progressives" and "Ultra-Radicals"—Latter Believe in Attaining Their Ends by Direct Action, But Dominating Elements Are for Securing Ends by Force of Opinion Through Political Channels

By JAMES SIMPSON, Editor "Industrial Banner."

THERE are four types of labor men, each one bearing a distinguishing name. There are the "Reactionaries," the "Moderates," the "Progressives," and the "Ultra-Radicals." The Reactionaries are those who still claim affiliation with those parties and institutions which not only refuse to support progressive reforms, but would modify if not repeal some of the democratic legislation which has been obtained through much effort and sacrifice on the part of the progressives of the past. The Moderates are those who believe in devoting their time to the holding of what labor has already obtained, but are fearful that any aggressive effort to obtain more substantial concessions in the interests of the workers might make them too unpopular with those who are compelled to make these concessions. The Progressives are those who realize that the advancement of the cause of labor depends entirely upon the organization and constant education of the workers to their needs and how these needs can be best met. They also urge their fellow workers to use every contsitutional means within their power to improve their conditions notwithstanding the fact that their action may be opposed by the privileged interests and that section of the press which is prejudiced in the interests of predatory wealth. The Ultra-Radical is the man who realizes the necessity of change but forgetful of the processes through which society has to pass before radical reforms are brought about, insists upon an immediate and sudden transformation. The methods he proposes to bring about the sudden change are not always constitutional but they are justified on the ground that the opposing forces are not too regardful of constitutions in maintaining the present social and economic order.

In Canada these four groups are constantly at work within the Labor movement. The Reactionaries maintain their limited interest in the organized labor movement because they benefit materially from the organized effort of the workers on the industrial field. They take no interest in the effort to build up a political movement within the ranks of labor, but retain their affiliations with the old political parties, which are now looked upon by the workers as having too much in common with the interests which prevent the labor forces from making substantial progress in the improvement of their standard of living. They have no vision of future possibilities, and add nothing of a constructive character to the labor movement.

The so-called Moderates within the movement are those who prefer to take the course of least resistance. They believe in the shortening of the hours of labor, the increasing of wages, and the improving of the conditions within the industries, but they adhere to policies and tactics which are the least effective in bringing about the conditions they desire. This attitude of mind is developed through fear of adverse criticism from the press, condemnation from employers, and an inclination to pursue an easy course. The Moderates insist that they are following a safe and sane course and that in the end they will be the means of obtaining something of a substantial character for the workers. In the opinion of many in the labor movement the Reactionaries and the Moderates are the most dangerous groups because their policies incite revolutionary tendencies by their inaction. The great mass of workers, realizing that conditions are unsatisfactory, and realizing that the Reactionaries and Moderates are holding a check upon progressive measures, become dissatisfied and discouraged and naturally constitute a fertile field for the advocate of violent and unconstitutional methods to achieve results.

The Progressives within the labor movement are agreed that what the workers require to improve their condition is a thorough organization through their trades and industrial unions and through independent political action. They emphasize the fact that only through education within these organizations can the workers ever realize how to use organized influence effectively to obtain shorter hours of labor, increased wages, and better working conditions, and to obtain legislation in our Parliaments in their interests. To give a clear understanding of how their influence can be effectively used inspires hope and confidence among the toilers. They are not inclined to ignorantly resort to unconstitutional and violent methods to obtain what they desire. They prefer to use their economic and political power constitutionally, realizing that although the changes in their interests may be more gradual, they will be more permanent. It is this course of action which maintains the proper balance in the evolutionary development of society to a higher state of perfection. Within the ranks of the progressive forces of labor there are varied opinions as to the ultimate goal to be reached. There are those who realize that there is an inequitable system of wealth distribution at the present time, and that those who produce the world's wealth are not receiving a fair share of the wealth produced. To bring about a greater measure of equality they propose increased wages and shorter hours of labor, but at the same time they insist that there should be legislative action to fix the prices of commodities so that with the increase of the "nominal" wage there will also be an increase of the "real" wage.

Others propose that there shall be a system of profit sharing inaugurated so that at the end of the year the employees will share in the profits in addition to receiving a wage sufficient to establish a good standard of living. By such a system of profit sharing they hope to prevent the accumulation of large stores of wealth in the hands of the few and also remove that condition of poverty which is the outcome of such wealth accumulation.

A Share of Profits or Control

There are those who are not entirely satisfied with a system of profit-sharing, but desire that the workers shall have a share in the control of the industries. They maintain that while the administration of capital is a part of the responsibility of the capitalist he is dependent upon labor to realize a satisfactory return for his investment. That being the case the employees should be jointly responsible with the employer in the administering of the affairs of the industry and should share the profits with the capitalist.

But there are also a large number of progressive workers who see the greatest gain through the development of a system of co-operation in industry, similar to that of the Co-operative Societies of the British Isles. They believe that from the ranks of labor there can be engaged those who are quite capable of building up these co-operative enterprises, and thus not only assist in keeping down the prices of commodities but also convert profits into savings, the consumer getting the benefit instead of the private capitalist or corporation. The receipt of these savings in the form of dividends is equivalent to an increase in wages, and thus the $81,000,000 profits from the Co-operative Societies of the British Isles in 1915 were distributed among 11,000,000 customers instead of going into the pockets of the few to create eighty-one more millionaires. The success of this co-operative effort, with the application of the principle of municipal and Government ownership of public services in almost every country of the world, has increased the number of those progressives who will be satisfied with nothing short of the complete socialization of the natural resources and the means of production and distribution. They accept such a change as the ideal condition to which the peoples of the earth should progress. Although conscious that such a change would be revolutionary in its character they advocate the inauguration of the socialization of the means of life by the constitutional method of education and legislation within the limitations fixed by the constitution of the nation. They do not advocate the violent overthrow of existing governments, but accept the present social and economic order as reflecting the ideals of the legislators, but amenable to change as the people realize the necessity of change in harmony with human needs and desires. The group of workers who advocate change along these lines are strenuously opposed by the other three groups. The Reactionaries and Moderates refuse to accept the idea that there must be a change in the ownership of the instruments of production and distribution before there can be a just social and economic order, while the Ultra-Radicals are in agreement with the objective, but are opposed to the methods suggested to bring about the desired change.

Few Are Ultra-Radicals

The Ultra-Radicals maintain that while the workers are desirous of using their economic and political power in a constitutional way to bring about the changes they desire they are thwarted in their efforts by powerful corporations on the industrial field and by governments on both the industrial and political fields. They claim that governments as at present constituted do not reflect the ideals of the mass of the citizens, but protect and promote the interests of the privileged class to the detriment of the great mass of wealth producers. They also point out that when the adherence to constitutional methods on the part of the workers threatens to deprive the privileged class of that which they are not entitled to, governments step in and by speedily enacted legislation and Orders-in-Council transform a constitutional act into an unconstitutional act, and thus make the workers liable to serious punishment for violation of law. Believing this to be the case they urge the workers to organize thoroughly on both the industrial and political fields for the avowed purpose of taking control of industry and administering it in the interests of the workers, without too careful regard for constitutional methods in attaining that end. While urging political action in addition to industrial action they emphasize the necessity of the workers getting together into one big union so that direct action through strikes can be effectively used to obtain what political action fails to obtain. Needless to say, the group of Ultra-Radicals is insignificant compared with the other three groups, and the general feeling among the workers of Canada is strongly in favor of using political power to create a new social and economic order.

THE COAL SITUATION

Report of Movement by Director-General Hines

WASHINGTON.—Director-General Hines stated, Nov. 4, that reports on bituminous coal movements for the week ended Nov. 1, show that railroad cars were supplied for practically all bituminous coal offered. This resulted from the fact that open top equipment was supplied for the movement of coal preference to other commodities moving in open top equipment. Bituminous coal mines in the Eastern, Allegheny, Northwestern, Central Western and South-western Regions during the week mentioned had 100 per cent. car supply and in the Pocahontas and Southern Regions car placements were 96 per cent. of cars ordered. Restrictions resulting in curtailment of car supply for the loading of stone, sand and gravel which were placed in effect temporarily to enable the full loading of bituminous coal were removed on Oct. 30 after it was determined that requirements for bituminous mines were fully protected up to Nov. 1.

U.S. Bureau of Labor Statistics issues extensive and detailed report on hours and earnings of employees in coal mining industry. The figures for anthracite coal mining are based on records of 16,209 employees in 22 collieries situated in Pennsylvania. Figures for bituminous coal mining are based on records of 40,611 employese distributed among 201 mines located in 18 of the most important coal producing States. Three tables are given. First and second deal with hours and earnings of employees in anthracite mines and bituminous mines respectively; third relates to percentage of time in operation and of time worked in bituminous mines.

MANUFACTURE VALVES

New Company Equips Plant in Belleville

The H. A. Wood Manufacturing Company, Ltd., which was recently organized to take over the Canadian rights of the Wood Airtight Valve Company Ltd., has purchased a three-storey building in Belleville and will instal machinery immediately for the manufacture of automobile valves and other valves for high-pressure work. It is expected that three hundred men will be employed.

The new company is capitalized at one million dollars and the directors are: Dr. I. G. Bogart of Kingston; Henry Hangrove, also of Kingston; S. W. Jenckes, manufacturer, of Sherbrooke, Quebec, and St. Catharines, Ont.; James R. Ness, grain merchant, Toronto; M. G. Hunt, barrister, Toronto; L. Denys, Toronto, and R. J. Graham, Belleville.

CANADA STILL NEEDS MUNITIONS

IT is not so many months ago that the whole energy of the world was turned to the output of munitions—munitions to keep the line moving forward.

Shells are the munitions of war, money the munitions of peace, and the line must still move forward.

CANADA'S OBLIGATIONS MUST BE MET. There is no one who questions for a moment that the first obligation of everyone is to live up to the promises given to those who went away; to care for those who came back maimed; to provide for the dependents of those who did not come back; to carry out the obligations voluntarily assumed to all those who fought in the grim days of war.

CANADA'S CREDIT MUST BE SECURED. She cannot afford to be a beggar nation. We have assumed large responsibilities in the days of war; we have spent huge sums of money. Our investment must be protected and money must be forthcoming to meet these demands.

CANADA'S OPPORTUNITY MUST BE FACED. These are the crucial days, the days of Canada's opportunity. She has won a name for herself. She has found markets open to her that were closed before. The road is open to a large place in the commerce and councils of the nations. But money is the munition of progress and money is needed now.

CANADA MUST PROTECT HER CITIZENS. The idle factory is a menace. Out of idleness, poverty and want grow conditions of unrest. Canada must continue to assimilate her hundreds of thousands of men. She must assure the worker a living wage. It cannot be done with closed doors. Money is necessary to keep the wheels of industry turning, and industry is necessary for the protection of the nation.

THE Victory Loan is Canada's opportunity. Its success means the meeting of her outstanding obligations.

THIS is simply a loan with all Canada's resources as security. Become preferred shareholders in the great company of Canada Unlimited.

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MANAGEMENT—is it Less Efficient Than Labor?

Interesting Point in Capital-Labor Controversy Raised by American Efficiency Engineer—Stop Watch Not Necessary to Obtain the Best Results From Workers—Practical Experience

By C. E. KNOEPPEL, in "Forbes' Magazine."

C. E. Knoeppel, who is president of the C. E. Knoeppel & Co., Inc., Industrial Engineers, New York, began work as a laborer and moulder and then became draftsman, designer, office manager, systematizer, cost accountant and consulting industrial engineer. Among the organizations served by his organization are the American Optical Company, Art Metal Construction Co., Goodyear Tire & Rubber Co., National Supply Co., Oklahoma Producing & Refining Co., B. F. Goodrich Co., American Meter Co., Kelly-Springfield Tire Co., American Newspaper Publishers' Association.

Howard E. Coffin, when on the Council of National Defense, called on Mr. Knoeppel to assist in the organization of a Society of Industrial Engineers to help the Government in its war work, particularly in connection with aircraft production. In December, 1917, the Emergency Fleet Corporation employed engineers from the organization to study conditions in many shipyards. Recently Mr. Knoeppel was placed on the faculty of the New York University to take charge of its course in management. He is the author of a number of notable books.

From 75 per cent. to 85 per cent. of the possible results from modern methods of management in industry can be secured without the use of the "Stop Watch" in timing workers and studying operations.

This may seem a rather startling statement, but it is based on a sincere conviction and may serve to advantage in focussing the eyes of both workers and employers on the absolute necessity of greater production in industry, so that we may reduce the cost of living and improve the relations between capital, management and labor.

The "Time Study," through the use of the "Stop Watch," as a basis for studying work and worker, and as the foundation for wage payment methods, has perhaps been the one mechanism above all others in management engineering that has been most strenuously objected to by labor, and opposed by many managements. It has been the one mechanism legislated against in so far as Government work is concerned. In the minds of many it has constituted the heart of modern management methods whereas really it was only a time measuring mechanism. Workers objected to being "timed" in a detailed way and having every movement watched, while managements, fearing the effect of its use on labor, have hesitated to use this mechanism and therefore failed to take up other phases of the work. When workers and managements realize that there are other parts in modern methods than the "Stop Watch" and "Time Study," we may expect a greater willingness on the part of both to co-operate in the introduction of cost-reducing methods.

In writings and addresses, in the past, I have advocated the use of the "Stop Watch." I have used it in my professional work and have instructed others in its use. Some four years ago, however, I began to see evidences of its unpopularity in industry, and began to study the entire situation with the view to getting along without it. Since then the organization of which I am head has made no use of the "Stop Watch" in its regular work of eliminating industrial inefficiency. We see no use for it in the future, for excellent results have been and can be secured without its use.

The experience behind this attitude is eighteen years as laborer, molder, draughtsman, office manager, systematizer, cost accountant and consulting industrial engineer. The last four years of this time has been spent as head of a professional organization serving industrial concerns all over the country in the matter of introducing betterments to increase production.

This experience has convinced us that the inefficiency almost universally met with in industry, which is the one factor responsible for the high prices we are now figuring, is not all due to the inefficiency of the worker by any means. As a matter of fact, the greatest part of the inefficiency found is due to the shortcomings of management.

Unless a plant is properly organized, unless there are reliable records on which to base conclusions, unless production is properly controlled, unless working conditions and facilities are what they should be, workmen cannot work efficiently, whether they want to or not.

Idleness in equipment, waste in floor space, inadequate manufacturing facilities, too much material tied up in stock, over-equipment, breakdowns and repairing equipment during working hours, failure to provide work, or material, or tools on time, are certainly factors not within the control of the workers in a plant.

This does not mean that there is no inefficiency on the part of the workers, but it does mean that the greatest inefficiency is that of management and that you cannot get a high degree of labor efficiency with a low management efficiency.

Our experience proves, further, that through efficient organization, proper records, control of production and improved facilities, manufacturing efficiency can be materially increased, and in accomplishing these things we have found that no "Stop Watch" is at all necessary.

Seven Essentials

This brings us up to the matter of the worker's part in industry. There are seven essentials necessary in industry:

1. Supplying the funds—capital.
2. Providing the plant—management.
3. Furnishing equipment—management.
4. Providing an organization—management.
5. Placing orders for work—management.
6. Supplying material — management.
7. Doing the work—labor.

Of the seven, labor is concerned with only one of them—doing the work. In this the element of time enters, and the thought behind the use of the "Stop Watch" has been to study this use of time by labor.

It is, of course, true that labor has felt that the fewer hours it worked the more work there will be for more people. In some cases labor has even gone so far as to take the attitude that it should reduce the amount produced per hour. We have been observing this three-fold tendency:

(a) Fewer hours' work per man.
(b) Less production per hour per
(c) Greater wages per hour per man.

This, of course, is the basis of the vicious cycle of increasing prices.

The "Stop Watch" will never get these ideas out of labor's mind, even if it does show that these conditions exist. Only education and bitter experience will show labor the fallacy of fewer hours for more wages, which narrows the use of the "Stop Watch" down to (a) determining equivalencies and tasks, (b) determining lost motion and waste, as they relate to the use of time by labor.

Equivalency in Industry

We realize only too well the economic importance of increasing hourly production by labor, and that equivalencies must be known in advance so that they may be currently watched and comparisons made. Determining what is a fair hour's work for different operations in industry, that men and equipment can turn out without injury to health or well-being or detriment to equipment, is what is meant by equivalency. This, to our mind, is an economic fundamental, for if we can secure increased hourly production we need not concern ourselves so much about the matter of wages or the hours of labor. It is altogether a matter of securing production by utilizing every facility that can be invented and every method that can be devised toward getting out a maximum or quantity production. The greater the hourly production the less the cost, the less the cost the greater the demand and the greater the demand the more business there will be. The more business there is the more demand there will be for labor.

We have found, however, that careful estimates with changes in hourly production rates made from time to time, up or down, will ultimately bring hourly equivalents to where they would be if a "Stop Watch" had been used.

The logical question arises: How will these estimates be made if we do not use a "Stop Watch"? By conferences between those responsible for determining these hourly equivalents, the workers and the foremen, studying the work to be done, plus an analysis of records showing past performances.

In other words, determination of hourly equivalents would be a matter of bargaining, based on intelligent discussion, which would get away from the arbitrary methods so often pursued in setting rates. If subsequent effort proved the hourly equivalent to be beyond the attainment of the worker, it is corrected in the same manner as it was set. If the equivalent is easy of attainment, the same method is followed in increasing it. In other words, it is a "give and take" proposition. Further, in determining hourly equivalents, the idea is to arrange for an average performance by an average man over an average period of time.

The use to which we put these hourly equivalents is in planning and routing work through the plant, so that in dispatching shop operations, as in dispatching trains, we may know the length of time between points and arrange accordingly. They are not used for setting piece rates or bonus times, as in our philosophy the matter of incentives should not be taken up until proper organization, records, production control, proper plant conditions and facilities and knowledge of hourly equivalents are provided.

It is apparent, therefore, that the "Stop Watch" is not needed in determining hourly productions, as intelligent estimates based on proper discussion and a study of the work will serve in the long run to make equivalents as accurate as if determined by "Stop Watch" study.

In determining lost motion and waste, the steps above outlined will do much to locate and eliminate them. To control production adequately it is necessary to perfect organization, provide records and study the better equipment and facilities, which in themselves will do much to increase operating efficiency. Therefore, if the "Stop Watch" is not a factor in the one case, it is certainly not a factor as regards the other.

We have no quarrel with those who advocate the use of the "Stop Watch." Refinements in results can undoubtedly be secured through it use. As a basis for determining bonus times and piece rates it may have a place in industry, although our experience shows that by the time we are ready for the matter of rates and times on which to base earnings, hourly productions will have been reduced to a practical basis and sufficiently accurate for the setting of rates. The "Stop Watch" can in many cases be used in determining what equipment should do, although in this it has been our experience that mathematical calculations will determine what equipment should do on a given piece of work. We have simply found through our own experience—and this is our best teacher—that we have been able to operate to advantage and secure satisfactory results in industry without the use of the "Stop Watch."

It is true that many times the criticism on the part of labor and management has not been so much against the "Stop Watch" itself, as the use to which the results were put, and it might be said that determining hourly equivalents by the estimate and conference method is but another way of attaining the same end. Our feeling as to this, however, is that to get more production it must first be controlled, and that to control production properly it is essential that we know within practical limits the time a given piece of work should take, so as to plan to have equipment, labor and material ready at the right time, and that it is just as much to labor's interest as that of the employers' to reduce idleness and lost time to a minimum.

It seems to those of us who have studied this subject for several years past that by eliminating the "Stop Watch" and making a clean-cut separation between the inefficiency of management and the inefficiency of the workers, that the way is paved for a better relationship between workers and employers, and increasing industrial efficiency all along the line.

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Records Worth Keeping are Worth Protecting

You put time, effort and thought into the preparation of business records—you employ a staff to keep them up—you place a high money value on them. Is it logical then, is it good business to leave them unprotected—liable to total extinction, you know not when.

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What an insurance policy is to your buildings and physical property, a Record Safe is to the intangible assets of your business—your records and business documents. And it has this additional salutary feature: that though physical property may be wiped out, entirely, a Record Safe protects and guarantees the safety of those records that are always considered as constituting a "going concern."

Fire Protection an Immediate—a Vital Question

The question of protection against loss—both of your physical property and the intangible assets of your business—but the latter more importantly so—is a vital one now, when waste of any kind is a public dereliction—adequate protection is in short, nothing less than a national obligation.

Delay May Bring Serious Consequences

Consider well this question. Then take immediate steps to provide the protection that the value of your business records and documents warrants. Any "Office Specialty" representative will be glad to tell you about the new fire resisting Record Safe—explain the double wall dead-air space feature, tell you the advantages of the light but essentially solid construction—and show you how a combination of filing units to contain your various records may be stacked in "Office Specialty" Record Safes.

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Illustration shows "Office Specialty" fire resisting Record Safe with stack of filing sections for various kinds of records. Roller shelves at bottom accommodate account books ledgers, etc.

OFFICE SPECIALTY
FILING SYSTEMS

EIGHT-HOUR DAY--The Argument That it Will Curtail Production

Continued from page 18

we found this not to be an assent without a protest. The Minister of Labor had called a conference of employers and labor leaders to discuss the proposed eight-hour law and pressure had been exerted on the employers. The latter indeed issued a printed protest against the measure, and they also urged that it should not be inserted in the treaty of Peace. It was declared:—

1. That the total production of France before the war was about $8,000,000,000.

2. That nearly 2,000,000 workers, or 9 per cent. had been killed or maimed.

3. That in workers France had lost one and one-half times more than Germany; two and one-half times more than Belgium; five times more than England and Italy; fifty-six times more than the United States.

4. Together with the frightful reduction in births, which would continue even to 1930, the diminution of 20 per cent in the hours of labor from ten to eight would cause a reduction in the total production of France of $2,400,000,000, or 30 per cent.

Why not regulate the hours of labor in those industries the nature of which require regulation in the interests of the health and safety of the workers, but leave employers and employees free to make their own contracts under actual conditions existing in each industry and with regard to domestic and international competition?

Shorter Hours or Higher Wages

The fifth question to consider regarding hours of labor is an exact definition of what the proposed eight-hour day is. That is, whether it is intended to be a straight 8-hour day based entirely on health and welfare of the worker, or whether it is to be a basic 8 hour day, based upon the payment of extra wages after eight hours have been worked. These two kinds of day regulation are very different in character.

The basic eight-hour day is essentially a wage issue. Eight hours of work are taken as a convenient standard by which to measure service. any hours in excess of these in a calendar day being paid for as overtime, usually at higher rate, but sometimes on a pro rata basis.

Increased rates for overtime are obviously designed to discourage employers from resorting to it. To this extent, the provision is related to the problem of health and social relaxation. In practice, however, these penal rates have proved an incentive to overtime by the employee, and thus tend to defeat any desire to promote his health or increase his leisure. Therefore, these rates, through ostensibly a penalty on the employer, are in reality a premium to the employee. So far as such an incentive induces the worker to work a longer day than is justified on the grounds of health, it is clearly warranted only by unusual emergency. In such cases overtime is physically undesirable, and overtime rates mean extra compensation for diminished productivity. Furthermore, experience has shown that the overtime rates tend to increase the amount of absenteeism during regular hours, for which premium overtime rates workers can earn their usual wages in shorter time and are thus more inclined to "lay off."

It is clearly evident that a wage statute to provide increases of pay over 8 hours would operate very seriously against production and toward increases of costs in many industries, particularly those who would be compelled to reduce from their present basis of nine or ten hours, having to choose between reduction of output of from 10 to 20 per cent., or increase the wages cost to the extent of time and one-half for one or two hours as the case might be. Again it is clear that production must come first, and is of overwhelmingly greater importance.

Not a General Demand

The sixth question to consider in regard to hours of labor is, what proportion of our people are behind these proposals for a shorter work day? It is only fair to ask what proportion of the workers of Canada does organized labor represent? In the United States, with a total population of 100.000,000, it is estimated that about 40 per cent. or 40,000,000 are workers, and of these about 8 per cent., or 3.000,000, are members of labor unions. I have no definite estimates for Canada, but on the same basis, with a population of 8.000.000 we should have a total of 3.200,000 workers. According to the Department of Labor there are about 250.000 members of trade unions, which is about 8 per cent. of the total, or the same as in the United States.

Granting them to be 10 per cent., I submit that it is only fair to ask that great care be taken to obtain a definite record of the feelings and desires of the great 90 per cent. of the workers, and the still greater general public who are not represented here, before any legislative action is taken.

Now let us see what are the motives and ideas which are behind the demands of organized labor for reduction in the hours of labor and the standardization of the work-day

be unnecessary to discuss the unrest which exists in Canada as well as in every other country and the reason for its existence, the movements tending toward socialistic government, so-called democratic control of industry, and the threats and the fear of revolutionary action by the radical element.

The Attitude of Labor

Organized labor claims to have no sympathy with radicalism, but it does want more participation and more interest in the conduct of production. It asks what it calls a fairer share in the benefits of production or a more equal distribution of profits; in other words, it wants to raise the standard of living. Granting that these things are reasonable, and also that the employees realize that a new era of national co-operation for national welfare, genuine prosperity for all classes of people, all workers, whether organized or not, are necessary to the solution of our present fundamental national problem. Then the great question is how to accomplish all this or how to get properly started on our way without losing ground, without losing sight of the absolutely vital needs of the nation for greater production to meet its tremendously increased obligations.

I cannot help feeling that organized labor in Canada and the United States has another motive in securing the 8-hour day, and I am convinced it is a basic 8-hour day and not a straight 8-hour day it seeks; that is, the increase of pay which comes through overtime. It can readily be seen, that if wages are based on the relationship of an 8-hour day to the cost of living, a condition where overtime became necessary or customary —and I am pretty sure the workers have always welcomed overtime— the extra wages would greatly augment the earnings of the workers receiving them. During the war, overtime was the rule all over America, and large sums were paid out in excess of the regular pay. It is well known that in some U.S. Government plant, after the stress was off and the hours of labor were cut to eight per day and no overtime was forthcoming, then men actually went on strike to compel its reinstatement. The chief objection from an economic standpoint to carrying on industry under such conditions was the great increase in costs involved. This amounted to much more than the actual overtime paid, because it developed a great deal of time-taking during regular hours which was made up in overtime. Now, suppose in Canada we do succeed in getting down to work and look our national needs square in the face, showing plainly, as I have stated, the urgent need of greater production than we have ever made before, how long will it take to use up our very limited and more or less depleted supply of workers?

In the case of the basic 8-hour day we can waive the health and leisure interest, and can increase production, though not in the proportion of the hours worked; but we create an immediate rise in the cost of production which might have a serious effect on all foreign business. It would undoubtedly have a definite effect on the cost of living, and tend to put i in the power of foreign competitors to invade our markets. It is only fair to say that the demand for shorter hours than are at present worked, from a desire for more leisure, may be quite justifiable under certain conditions; but these condition involve sufficient production, which is the very heart and centre of the prosperity and welfare of the whole people of Canada.

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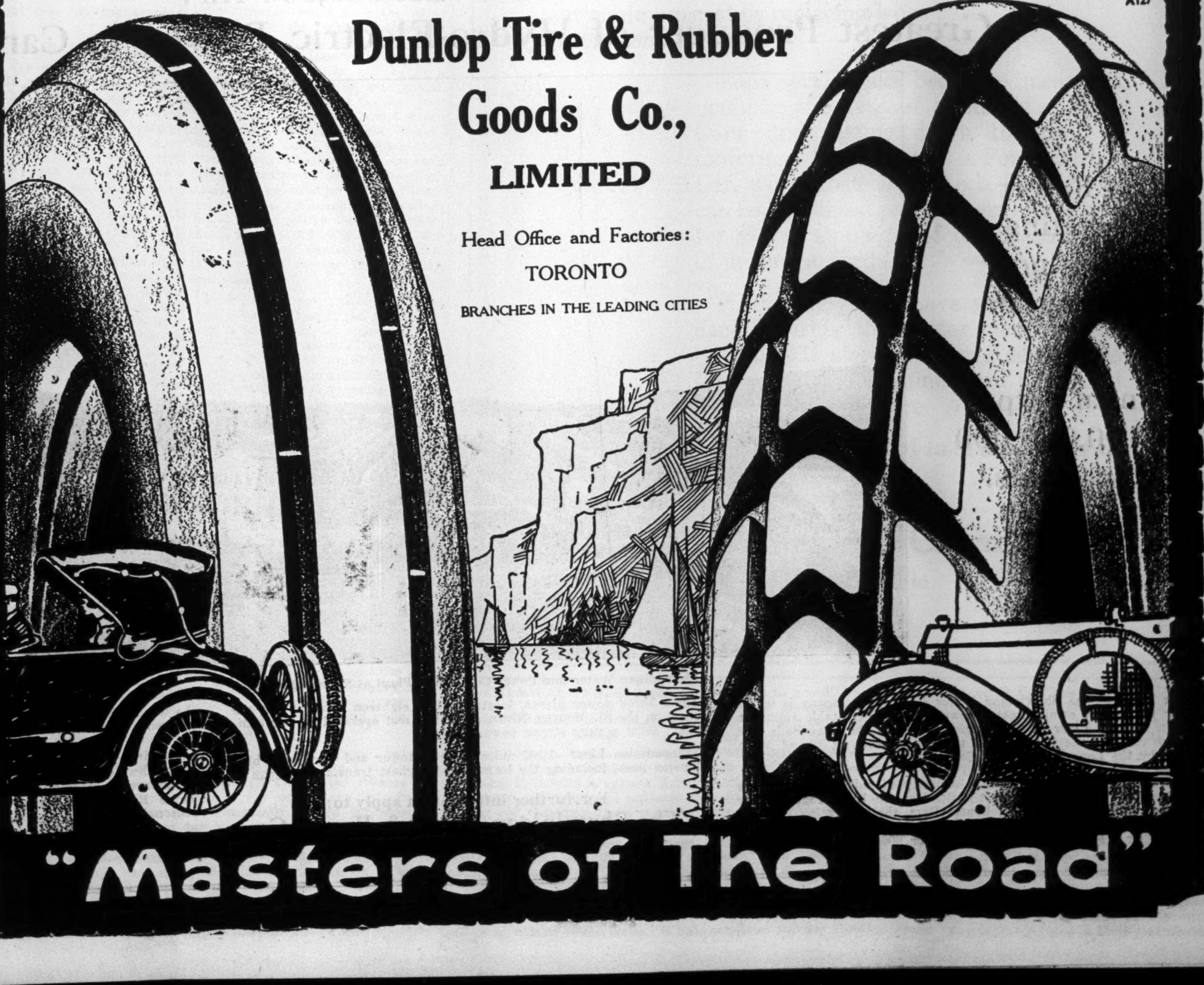

"Masters of The Road"

BRAZIL—As a Field for Canadian Trade

British Exporters Have Been Losing Opportunities—Some Practical Information About the Goods Wanted—Paper products and Automobiles Are in Extensive Demand.

By G. J. BRUCE, F.G.S.A., F.R.C.I., Author of "Brazil and the Brazilians."

A COUNTRY whose area exceeds three and a quarter million square miles, whose rapidly increasing population now amounts to 25,000,000, and whose people exhibit a keen desire to avail themselves of all the most up-to-date adjuncts of civilization, should certainly interest Canadian manufacturers and traders.

During the ten years ending 1913, the last normal decade, Brazil's imports amounted to $205,000,000, and exports to $305,000,000 annually. In that year 30 per cent. of the goods she imported were from Great Britain, 15 per cent. from Germany, 12 per cent. from the United States of America, and 9 per cent. from France. Two or three decades earlier Britain was supplying 50 per cent. of Brazil's requirements from outside.

To-day, Britain's quota of these would be infinitesimal, were it not for the amount contributed by Canada, Newfoundland, New Zealand, and India.

Many reasons could be given for Britain losing her former share of Brazil's custom. British manufacturers and exporters never possessed a correct idea of how to get a high standard in salesmanship. Their representative abroad was generally a member of their staff, chosen for his success at home, irrespective of his endowment in the matter of foreign languages, customs and adaptability to the peculiarities of other races. Few would-be British traders with foreign countries think of first sending out a capable man to study the conditions on the spot for a while, to find out the characteristics of the people and the market, where and how new lines they were unfamiliar with could best be introduced to the people, and generally to get the best inside knowledge before offering the goods.

British Methods Are Slow

The average British foreign traveler on his first visit to a new country is an object for pity. His principals, having got reports from some consul, Government trade commissioner, or other source that there was a good opening for their lines in, say, Brazil, despatched their best man with a collection of samples and a list of names of firms to call on. Ignorant of the language of the country, its transport arrangements, its commercial usages, its merchants' peculiarities, its retail consumers' points of view and prejudices, the British traveler simply flounders along wasting time and money, making a bad impression, probably spoiling a good field by a bad approach. It has not been usual for German or U. S. A. houses to tackle a new field in this mistaken way. They have usually studied the situation carefully first, got a local firm or man to introduce the lines, followed this up by visits of men who knew the local language and conditions, and so got in soundly and firmly. One could go on recounting reasons for Britain's failing to hold the Brazilian market, but the object of this article is to stimulate further Canadian interest in this great republic of the South.

Commodities Wanted

Brazil's purchases from Britain have hitherto consisted mainly of coal, cotton piece goods, steel and iron manufactures, machinery, woollen goods, hemp and jute, paints and varnishes, soap, biscuits, metal alloys, rubber goods, and paper. From the United States she got oils, wood-pulp, cotton manufactures, machinery, furniture, flour, leather, ammunition, coal, steel manufactures, and lard. France and Italy sold her automobiles, wines, perfumery, arms and ammunition, butter, cheese, potatoes, seeds, paper, hats and pipes; while Germany, whose Brazilian trade was growing fast until the war stopped it, sold her cotton piece goods, iron and steel manufactures, machinery, porcelain, earthenware and glass, cement, arms and ammunition, woollen goods, sewing-machines, umbrellas, wines and rubber goods, taking in return from Brazil, coffee, rubber, cocoa, carnauba wax, bran and skins.

Market for Paper

There is a strong demand in Brazil for paper, newspaper, wrapping, and stationery lines. Brazilians are great readers and the consumption of printing paper is enormous. Paper is perhaps dearer in Brazil than in any other country in the world. Although there are almost unlimited forests of wood suitable for making wood pulp in the country, they have not yet been exploited for that purpose. In the Amazon Valley more than forty different species of trees have been found, upon testing by experts to be eminently suitable for making cellulose or wood pulp. One expert reporting on this question to the "Times" of London, England, wrote of the Brazilian trees: "Most of these are of very rapid growth, and at the age of seven or eight years reach a diameter equal to that of European resinous woods at twenty-five years. Nearly all of them have a white or very light-colored physical texture, with long, flexible fibres. Apart from the pinho and almeceza, none of them contains resin. Almost all attain a height of 66 to 112 feet and a diameter of 30 to 100 inches." An analysis made in 1913 for the British Board of Trade showed that nearly all of them yielded from 60 to 72 per cent. of cellulose to 1 to 2 per cent. of ash in the case of dry timber, and a cubic metre of wood weighing 1,212 lbs. would yield 441 lbs. of mechanical pulp. In this sphere there seems to be a good opening for Canadian enterprise, especially as concessions and bonuses are offered by at least one State Government in Brazil for the development of the wood pulp and paper manufacturing industry. Until this is soundly established, Canadian wood pulp producers could surely command almost all the business going in the line in Brazil.

Other lines for which there is an increasing demand in Brazil are automobiles and motor-driven vehicles of all kinds, agricultural machinery and tools, electrical appliances, meats and foods, dairy products, and tinned fruits. Bonuses are offered for the establishment in Northern Brazil of factories refining rubber and manufacturing articles from it. Premiums are also offered for the establishment of fishing and fish-preserving establishments, and cold storage depots in the Amazon Valley.

Commercial Associations

The commercial associations found in almost every city of Brazil are invariably well conducted and supply a valuable assortment of information on trade matters. The men connected with them are usually substantial business men and financiers. They keep their fingers on the fluctuations of prices, not only in their nation, but in the outside world, and have their daily cable or wireless services from the world's chief markets.

There are over 200 cotton mills with about 100,000 looms in the country; and in most of these the machinery and equipment is of British manufacture. Many of the public utilities are in Canadian hands, and British banks are firmly established and have branches throughout the republic. The commercial system of distribution is much the same as prevails in North America and Europe. The purchasing power of the nation is ever increasing, and the Federal Government has for many years past rested in the hands of strong, far-seeing men.

With modern steamers Brazil can be reached from Eastern Canadian ports in a week, and the development of trade with this country might soon warrant Canadian-owned steamship lines making regular trips down the east coast of South America to Buenos Ayres in Argentina and back. As Canada seems destined in the near future to be a shipbuilding country of some importance, it seems logical that in the meantime this Dominion should give earnest attention to opening up more thoroughly the potential markets of the great new nations of the South.

NO-LIMIT WAGES?—Workman's Right to What He Can Earn

By ERNEST J. P. BENN, Editor of "Ways and Means."

THE notion that wages should rise and fall with the rise and fall of prices springs from that deep-seated, stupid idea that there is some proper limit to the earnings of a manual laborer.

So long as society clings to the view that it would be improper for the builder's laborer or the railway porter to move more than a shade from the poverty line, the porter and laborer will continue to be enemies of society. On the other hand, if society would agree that the laborer can have anything that he can earn, or that he would get the full share of any benefit which he was prepared to bring to society, a working basis would be established, and society would reap the advantage of the laborer's goodwill.

If employers rely on maintaining a standard of wages even remotely approaching that which prevailed before the war, then the benefit of employers to society is, to put it mildly, a very doubtful one.

Unprogressive Employers

We must, it seems, sort ourselves up. We are either industrial progressives or industrial conservatives; we believe in going either forward or backward—there is no standing still. If we are to go forward, the worker must come with us. A progress which kept him in the low position held by his fathers is no progress.

The fact is, the employer, as a whole, has not progressed at the same rate as the worker, and what is really wanted to-day is a better class of employer.

British industry badly needs waking up. We are so frightfully busy struggling to get back to pre-war conditions, so absurdly timid of new developments, that we are almost in danger of losing our industry. We have to face the need for many times the output of pre-war days, and that can only be got by the application of brain power, science, and machinery and a complete overhauling of our commercial organization. It is immaterial whether the labor is rated at forty or fifty shillings; without better methods his trade will go and he will get neither. With better methods, coupled with the will to work, he can earn higher wages than he ever talked of to-day.

It would be wrong to suggest that the majority of our workers are not working hard, but it is true that they are working under the blighting influence of a sense of grievance. They mistrust the system under which they have to live. The idea may be wrong, but it is there, and the problem is how to remove it.

Could we secure not only the goodwill, but the interest, even the enthusiasm, of the workers, output would be multiplied four or five times at once—and with no extra personal strain on the worker, because the strain of working hard with a will is far less than the strain of working badly with a sense of grievance.

This tremendous alteration in the power of industry to produce would be affected by a simple alteration in the point of view of those engaged in industry.

Guarantee His Wages

This brings me to the question—Should wages be lowered? Should the worker be left with the feeling that there is a conspiracy to rob him of something he thinks he has gained during the war?

Would it not be better to enter into a bond with all workers that no attempt would be made by anybody to reduce anybody else's earnings? Could we not thus make a workman feel he had secured a little bit of real progress, and engender in his mind a desire to make more?

If only we could arrange a truce in the battle of wages for, say, a year, so as to concentrate all our efforts on output, there would be a very considerable reduction in prices, and that reduction would be very largely due to the willing help of the workman. If, at the year's end, he found himself with his war wage and with lowered prices, he would be better off, and if the prices were not then made the excuse for a reduction in wages, he would be led by his own experience to abandon the fallacy of restriction of output—the only problem of first-class importance existing to-day.

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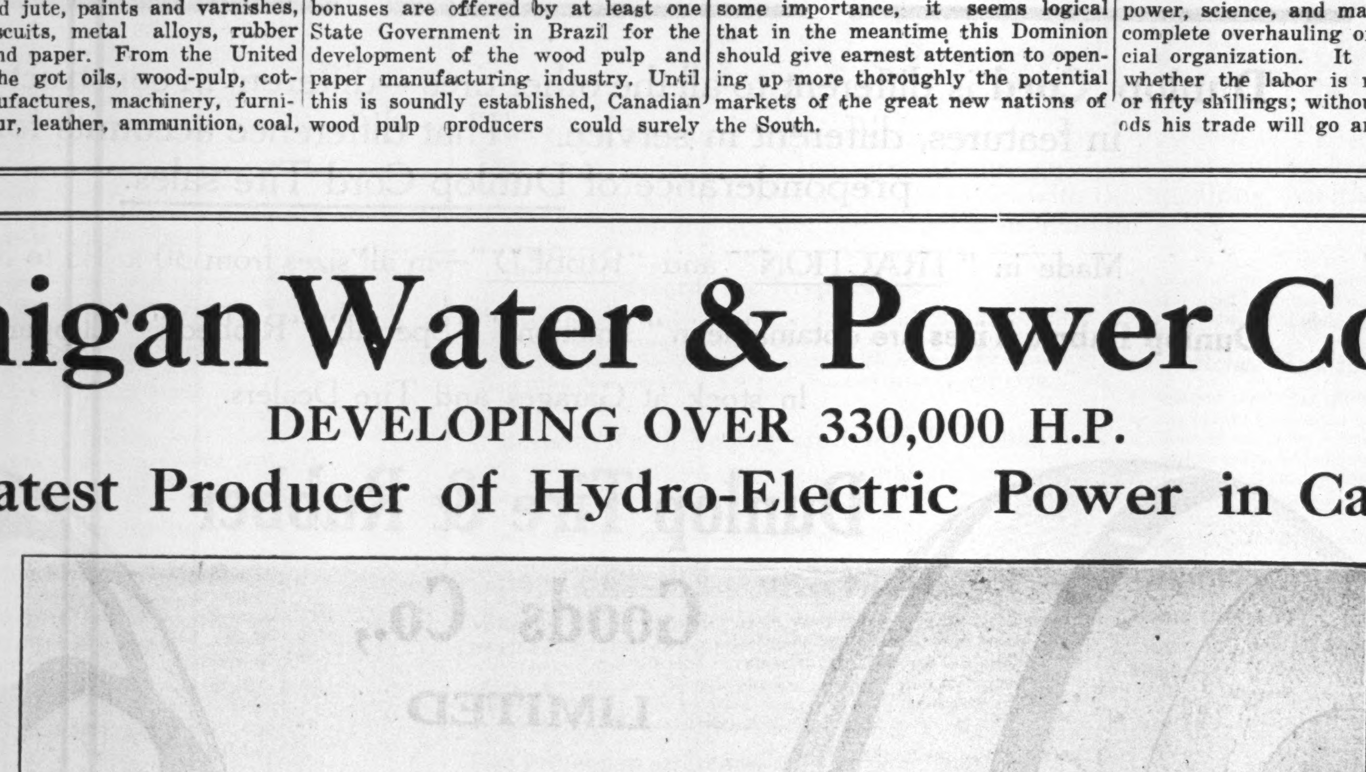

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EXCHANGE—Workings of the Balance of Trade

A Practical Explanation of the Factors Causing Fluctuations—Crops Are a Feature of Seasonal Changes—How the Changes Actually Work Out in Trade

By F. L. APPLEBY, Agent Union Bank of Canada, New York.

FUNDAMENTALLY the fluctuations in the market rate for Canadian exchange, like all other foreign exchanges, is affected to the greatest extent by the import and export of merchandise, exaggerated or modified by the flotation of loans. If both importers and exporters of merchandise could offset coincidentally their payments, fluctuations would be reduced to a minimum and according to whether on balance, total imports, (including capital) from all foreign countries were greater or less than total exports, so would the exchange value of the currency (rate of exchange) of any country depreciate or appreciate in the money markets of foreign countries.

Speaking specifically of Canadian exchange, for generations past it has been, and still is, a well-known condition that the value of the Canadian dollar in foreign countries is highest during the fall of each year, and lowest during the spring or summer.

The reason for this is that Canada is what is known as a seasonal country, that is to say, the bulk of its exports are effected during a well-defined season.

As the main export commodity is grain, which is harvested and transported through the Great Lakes during the fall (lake navigation usually ceases not later than December 10th and does not re-open until April or May), the rush of exports during a short season accounts for the Canadian dollar being quoted at its highest price during this period of the year.

The Why of Fluctuation

Now if only Canadian importers could arrange to pay for their goods at the time when the exporters were receiving payment for theirs, and if all Government and other borrowings abroad could be so arranged as to bridge over the interval, there would be no fluctuations whatever, but unfortunately each trade has its own fixed customs concerning date of payment for goods sold, and worse still, does not concern itself in any way with the different dates of payment existing in other trades, consequently instead of pooling their interests in an effort to effect a more or less steady rate of exchange, the Canadian exporting interests are pulling for a greater discount on the Canadian dollar, while the importing interests are pulling for a smaller one. In other words, it is each for himself and the devil take the hindmost (This, of course, does not apply to Canada alone.)

It is obvious that a remedy proposed for the benefit of the exporter might not be well received by the importer, and vice-versa, also that to those American business concerns who are so well organized as to be able to take advantage of these conditions, no remedy is required. In consequence this article is meant firstly, to appeal to those business interests who have suffered loss through the fluctuations in Canadian exchange, together with those far-sighted enough to realize that even if they gain at the moment, it is at the expense of their Canadian customer, and that some time in the future it will be their turn. Therefore, in proposing a remedy, I start from the admitted base that all uncertainty is a handicap to trade, and just as the merchant insures his goods against loss, so should he, and can he, ensure for himself the receipt of the full amount of his invoice, while the buyer can and should, insure himself against the risk of having to pay an amount greater than he anticipated at the time he purchased his goods.

To the American exporter who sells for cash to be paid in New York or Chicago or any other American city, there is no risk of loss in exchange, which is shouldered by his Canadian customer. Their great risk is that of fewer renewal orders.

How It Works Out

As an illustration, assuming (as was the case and will be again) that goods can be manufactured equally well in England, France and the United States and laid down in Canada for $100 U. S. or its equivalent on a given date, and that the price of $100 U. S. in Canada is $103 Canadian with the chance of it being $105 or $106 before the goods have been resold and the account fell due, while the chance is that pound sterling or francs may only cost $100 or $97 Canadian, the Canadian buyer would actually prefer to buy from England or France.

The American exporter must be prepared to meet this condition by guaranteeing to his Canadian buyer that his U.S. dollars shall not cost him more than a certain number of Canadian dollars. To all intents and purposes this is the same as if he sold for payment in Canadian dollars, so that now the two problems become identical. The American exporter cannot guarantee his customer any rate of exchange unless he himself is guaranteed, nor can he be certain how many dollars U.S. he will receive per $100 Canadian unless by some method or other he has contracted with a bank to buy his Canadian dollars at a certain price, delivery to be made at his option over a certain period. This period should be made broad enough to cover the times when the accounts fall due and funds in settlement should have been received. If the unforeseen should happen and the accounts still be unpaid, an extension of time of delivery could be made for a very nominal charge or even none at all. A well-equipped bank, such as the Union Bank of Canada, can accomplish the desired result by many different methods of finance, suitable to the various trade customs and also to the needs of the individual firm, but these methods are too numerous and technical to be detailed here.

With the American importer of Canadian goods the reverse condition exists, with an equally varied assortment of remedies. It is beyond the power of any institution to finance all the export and import trade between this country and Canada, neither as regards rates of exchange is it possible for any bank to satisfy completely both its export and import customers if they match the orders of one against those of the other, but it is possible for a bank in actual contact with the foreign exchange market of the world to provide ALL its customers with absolute protection against unforeseen loss in exchange by "bridging over" the period between date of acceptance of the order and that of payment for the goods.

EXCHANGE AND ITS BEARING ON CANADA'S TRADE PROBLEMS

Continued from page 17.

ing these last five years Canada's exports have increased more than 200 per cent., while imports have increased only 37 per cent. In dollars the record is impressive. Exports increased from $1,800,000,000 during the five years ending July 31, 1914, to $5,500,000,000 during the five years beginning August 1, 1914. Imports during the same periods increased from $2,700,000,000 to $3,700,000,000.

To maintain the industrial capacity which has made such an expansion of foreign trade possible, Canada must have raw materials and machinery. These she can obtain immediately and in sufficient quantities only from the United States. This accounts for her heavy purchases here. The fact that her exports are still largely of agricultural products restricts her sales in the United States. Sales in this country are further restricted because in this country also there is a greatly enlarged industrial capacity, and our exporters have not yet developed their markets sufficiently to take up the surplus production.

Paying For Raw Materials

The difficulty is that in obtaining the materials which will aid her in maintaining her industrial output and in developing her foreign trade, Canada must pay increased prices because of the exchange situation. The only permanent remedy for this situation is in the alteration of trade balances. Canada has two ways open to her aside from the establishment of credits here. In the first place she can reduce her purchases from and increase her sales to the United States. In the second place she can extend her sales to other countries, and by establishing balances there, provide funds for offsetting her unfavorable balance with the United States. As a matter of fact this is the state of affairs already arrived at with respect to Great Britain, where Canada is a large creditor. The condition of British-American exchange makes it inadvisable for the present to make a settlement, but this situation is nevertheless favorable to Canada.

Naturally an attempt would be made by Canada under conditions of adverse exchange to curtail her purchases in the United States and to increase her sales here. That this course is being followed is shown by the figures covering trade between the two countries during the year ended with August 31 last. During that period purchases from the United States were $50,000,000 less than those during the year ended August 31, 1918, and $150,000,000 less than those during the year ended August 31, 1917. Exports to the United States in the twelve months ended August 31 last were more than $11,000,000 greater than those for the preceding year, and $69,000,000 greater than those for the twelve months ended August 31, 1917. While this corrective tendency is in operation, Canada appears to be improving her exchange position in other directions. During the twelve months ended July 31, 1919, her exports to every country except the United Kingdom, British Guiana, Cuba, France, and the Netherlands, increased over those of the corresponding period ending July 31, 1918, and they increased to every country except the United Kingdom and France over those of the twelve months ended July 31, 1917. While it is true that Canada's favorable balance of trade declined from $21,037,664 for the twelve months ended July 31, 1918, to $393,768,494 in the twelve months ended July 31, 1918, it must be remembered that the greater volume of imports came from countries where the exchange was in favor of Canada. In other words it seems fair to assume that the corrective tendency is operating both directly and indirectly and that, however slow and unsatisfactory this process is, it represents progress, and in any long view of the situation must be interpreted optimistically.

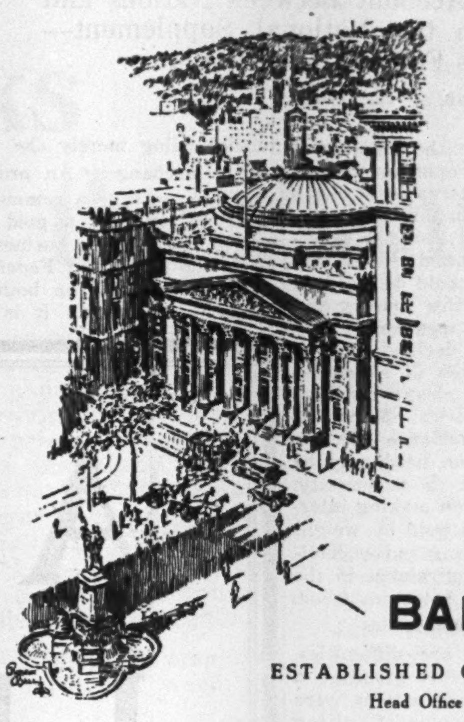
Further Loans in States

While Canada has shown remarkable financial powers during the last three years and has obtained the larger portion of required funds from her own people, she will probably have to make further borrowings in the United States in the immediate future. Ultimately such loans will have to be repaid, and recurring interest payments would tend to affect exchanges unfavorably to Canada, but for the moment borrowings in the United States would have the effect of relieving the present situation. Furthermore, it is altogether probable that by the time such loans will have matured Canada will be in a position to repay them with goods, either raw materials or finished products, which have been produced under much more favorable circumstances than now obtain. By reason of proximity, similarity of economic life and processes, and the excellent understanding existing between these two countries, Canada's borrowings in the United States should be engineered without difficulty. As in the past, the United States will continue to be a good market for Canadian securities.

More important, however, than these considerations is the position of Canada as a potential source of raw materials for industry. Disregarding the possibilities of greatly extended and intensified agricultural production, Canada has an immense advantage over all other countries except the United States in respect of ability to obtain at home the raw materials by which her industrial capacity may be maintained and enlarged. For the moment she is under compulsion to purchase in other countries materials of which she has an ample supply within her own borders. She is passing through a stage peculiar to all new countries, however rich in natural resources. There must be a period during which costly expenditures are made before production from field and stream and mine and forest is full and free, and so integrated with the production from mill and factory as to constitute an effective economic system. Canada is paying now the price which every developing country must pay, and the cost is the greater because of the unusual world conditions which now prevail.

This period gone through, there is every reason to believe that Canada will emerge among the leading nations of the world both industrially and financially. Once her store of raw materials is made available to her manufacturers the exchange problem of to-day will seem small indeed by the side of the position to which she will have attained. The present disadvantages will be regarded then as merely incidental to a necessary capital investment.

FOREIGN TRADE



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CHEMICAL INDUSTRIES

Nearly Five Hundred Firms are Listed in Canada

The Dominion Bureau of Statistics has just issued a Directory of the Chemical Industries in Canada, listing the names, addresses and products of nearly 500 Canadian firms manufacturing chemicals or other products in which the processes used are essentially dependent upon the agency of chemical change.

This publication will, it is stated, fill a long-felt want and should be of considerable value to the general public as well as to the trade. It has come to be a well-accepted truth that scientific progress is essential to the true development and material welfare of any country, and in Canada, where many of our natural resources are as yet almost unknown, the importance of laying sound foundations cannot be over-estimated. Some of the possibilities of industrial chemical development were made apparent by the remarkable accomplishments along these lines in Canada during the war, and consequently popular sentiment now favors the idea that this country should, to a large extent, be freed from dependence upon other countries for our chemical needs. In order that this idea might be guided along well-advised lines, it was essential that a survey of our chemical industries should be made, and the bulletin now referred to represents the first phase of this work.

The directory is in two divisions: (1) An alphabetical list of the various concerns, the head office address of each, together with a detailed list of their products, including in the latter chemicals and products resulting from chemical processes; (2) a list alphabetically arranged of the chemical products manufactured in Canada, showing the names of the various firms engaged in their manufacture.

WORLD FINANCE—An International Gold Clearance Fund Proposed

Advocate of a Uniform Unit of Account Between Nations and International Traders Calls Plan the National Supplement—Modeled on United States Federal Reserve Plan

By EDWARD A. BRADFORD, in "The Annalist."

FROM the beginning of the world until this day the nations of the world with one accord have all used their own language of finance. And, as if with malice prepense, they have not spoken these numerous price languages simultaneously, at any one time or place, so as to be understandable by all. The conditions suggest fear—lest anybody with command of more than one of these languages should have an advantage over others in the financial Babel. The situation has points of resemblance to the early years of the telephone industry. If was long after the discovery of the feasibility of transmission of speech directly between two users of the telephone that the missing link of the central station was discovered and made practical. That is the present stage of the effort to enable all the world to use a common financial language, so that innumerable financial centres may communicate with each other at the same instant, all using the same price language, and each hearing the same word, conveying the same ideas of value at the identical moment.

At present the nations trade together inconveniently. They buy in one currency and pay in another, and bring from a third country oftentimes the evidences of indebtedness in still another currency to settle the account. In these round-the-world transactions the element of time is a large factor with the question of price. Instead of direct dealings between buyer and seller using the same unit of account there are several units of account in a transaction, and the different units may be situated in separate places, or payable in different metals or paper of various credits.

It is hardly necessary to illustrate how international business would be facilitated if all business between countries were done on the same unit of value, paid and received at the same place. The business world has long dreamed of and coveted this convenience of trade, with the exception of those who find profit in knowledge limited to them, and who oppose what the others want. There is no novelty in the conception of a universal unit of account. What is new is the conception of the use of the telegraph and the clearing house in making practical the use of a common unit of account between nations.

Theory and Practice

In modern times England has developed the theory, and the United States has demonstrated the practice. Nobody has written so convincingly of the utility of a world unit of account as Bagehot, but no country has proved the theory by using it on anything like such a scale as the nations of this continent. That would remain true if there were nothing to show it beyond the telegraphic clearings at Washington of trade between our forty-eight sovereignties. All the Federal Reserve Banks keep part of their reserves outside of their physical control, off their own premises, outside the local jurisdictions. The accounts are all in dollars, of course, and they are cleared as easily and simply as any local clearing house clears business which, comparatively, is infinitesimal. At first the settlement was only weekly and only on one side of the account. The clearings are now daily on both sides of the account, and on a constantly increasing scale. The innovation was so startling that at first the clearing was made by the physical transfer of the gold or gold certificates. After several years the use of the certificates was discontinued as inconvenient and unnecessary. The gold is now merely a trust fund in the hands of the Treasurer of the United States, and the transfers are made by bookkeeping entries only. In the early months of this year transactions aggregating a billion weekly—double the clearance fund—were made at a cost of five-thousandths of 1 per cent. The clearings do not exhaust the fund, which is used perennially, as trade restores it. The enormous saving by avoiding the shipment of currency and gold throughout the continent is clear. To that must be added the saving of interest by increasing the velocity of circulation of funds.

Already there are converts to the idea of applying this system of one nation to dealings between several nations. They are all on this continent, it is true, but independent nations, nevertheless. It is a "war baby," born of the disorganization of trade between eleven Latin-American republics by war conditions. After three years of deliberation a treaty has been prepared for the adoption of a common coin of account and the establishment of an international clearing system. The coin might be called an American franc, for it is exactly one-fifth of a United States dollar, and, therefore, could be used in settlements between this country and the original eleven members. Any nation adopting the decimal system, and the same fineness of coinage—900—could readily clear accounts with the Pan-American Monetary Union, whose resemblance to the European Latin Union need only be mentioned to remark its superiority. Even more—any nation making international payments in gold by weight could join by providing paper certificates stating the equivalance in the "Pan-americano," or American franc.

Some of the Difficulties

Of course there are difficulties. The treachery capable of violating a neutrality to which all nations were pledged would be capable of seizing gold trust funds. There is no doubt about it, because it was done. But it won't be done again by the same criminal, nor by any other unless covetous of similar punishment. If this plan should become inclusive generally no nations could afford to decline for its trade the advantages of membership, and the deposit necessary for membership would be a hostage for peace additional to the plight of faith. The American precedent is purely financial, including only business between banks. Governments are to authorize it merely, not to work it. There is not even the suggestion of government assistance in the provision of the gold deposit to secure clearances, nor the control of exchange by anything like a government monopoly. The purpose is not to stabilize exchange by preventing fluctuations, but to facilitate exchange by making the shipment of gold as unnecessary as undesirable, or rather impossible under conditions of war and blockade. Necessarily no nation could encourage anything like advantage or primacy of any nation or money centre over any other. The side of the international clearance fund would vary with the trade, and there would be no more aggregation of business with the plan than without it, except as it stimulated trade. It is purely a matter of business between banks, with no suggestion of politics about it.

Greater impossibilities than this were overcome during the war. Before the war what financial innovator would have ventured to propose that any nation should base its internal currency upon gold deposited in another country? Or that any country should accept in payment of its customs, drafts in another country currency, on gold held in the importing country? In one case it was said that the acceptance of payments to its ambassador as payments at destination saved the trade more than the amounts involved by averting the necessity of shipping gold. With these object lessons on record on a small scale, only a gold calculator would venture to estimate the economies to commerce by clearing international trade through the medium of certificates representing gold held elsewhere. The cambist and the arbitrageru would lose excuse for existence, and their charges would go to promote trade, either by enlarging profits, or by cheapening goods. There is no reproach to those who bought exchange where it was cheap to sell where it was dear, or who bought it at a cheap time to sell at a dear time. Hitherto there has been no alternative or substitute for such services to exchange or money. But the time is at hand when buyer and seller between nations should pay and collect directly, as they do within single nations. Goods and payments for goods should travel between the nations by the shortest route, just as freight is routed by the Federal Administration of Railways, and just as checks are routed by the Federal Reserve System. A merchant deposits his receivables in his own bank, and pays out his own checks in domestic trade. It is not a good custom to pay out another man's check, even though it is a good check. But international settlements are customarily made by bills of exchange, which are not less other persons' promises or orders to pay because they are of high credit.

On Basis of Barter

Trade is none the less barter because the settlements are in currencies. Behind the currencies are the goods, and the correction of the exchanges means the balancing of the goods account rather than the currency accounts. The circulation of the goods is the main thing, the currencies being merely the instrument in the exchange. An order to pay gold for goods is a commodity document as truly as a gold document, and is based on the business as much as on the gold. Our Federal Reserve currency is based on both gold and goods in exchange. It is important to bear this in mind, because the accounts in billions between nations will be settled in goods and services, and not in gold or currencies. There is not gold enough in the world to settle such vast indebtedness, nor to be used in domestic business. But there is enough for use as a standard of value, and as reserves for domestic currencies until they shall be deflated.

Nothing but gold is or should be acceptable in international business. If there ever is to be an international unit of account it must be based on gold. Otherwise international clearances are impossible. The two things often have been thought of separately, but not until now has there been opportunity and need to think of them together, at a crisis when the nations are borrowing and lending each other multiples of billions. The United States alone has lent foreign governments ten billions. How unreasonable, then, to suggest that the United States could not trust other nations with the custody of a gold clearance fund, or would not itself be trusted similarly by other nations. The war has destroyed good feeling between nations, but it has fortified good faith as never before by unprecedented punishment of bad faith. There has been not a suggestion of betrayal of trust, or even of misunderstandings, in all the unprecedented business done between governments, under conditions so novel as to have made such incidents probable.

It is ten years since Mr. Cortelyou, then Secretary of the Treasury, suggested that it would be reasonable and useful to avoid international shipments of gold by international deposits of gold, subject to transfer on order. During the war England sent a billion dollars through Canada, and often much of it was held there earmarked or otherwise trusteed as an international gold clearance fund might be. The subject is being agitated in England and France more than here, and in many forms less practicable than those demonstrated in our practice. For the further reason that our market is the only free market for gold there is no presumption in suggesting that we should not leave the promotion of this idea to other nations.

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How the Packing House Question Looks From Within the Plant

OF late years there has been a good deal of popular clamor against the packing industry, both in Canada and the United States. This has largely been due to a misunderstanding of conditions and also to an intangible fear that, because these organizations are so large, they must of necessity be a menace to the community.

On the other hand, big business interests, instead of being inimical to public welfare, have more often proved beneficial in their operation and influence. Looking at the question of the packing industry, from an inside viewpoint, and with a proper appreciation of the aims and accomplishments of such concerns and of the services they are striving to render, it must be admitted that there are so many ways in which these plants serve the public—so many ways in which their service means saving in money, health and national resources—as to make a very interesting story.

Packing Industry an Economic Necessity

Half a century ago the packing plant was non-existent. There was no need for it. The community could be supplied with locally dressed meat and drew its livestock from the immediate neighborhood. This meat was processed in the hit-or-miss fashion of the old-fashioned local butcher and cost little, because product and labor were worth little, while money was worth much.

With the growth to nationhood, this simple system of local trading gradually became disarranged and new forces were of necessity called into being, to meet these changed conditions. Thus developed the Packing House to meet the urgent need of the time—the getting of food products from the point of production to the crowded consuming centres. Locations were needed where the "live haul" and the "meat haul" were in the correct balance. The packers saved the consumer money by doing for him economically what he could not possibly have done for himself. They served the stock-raiser by providing wider and more constant markets and in offering better prices for his stock. It is well enough to speak of the "good old days" when bacon was so and so, but in those same "good old days" there was very little bacon—certainly not more than enough to meet the country's own needs.

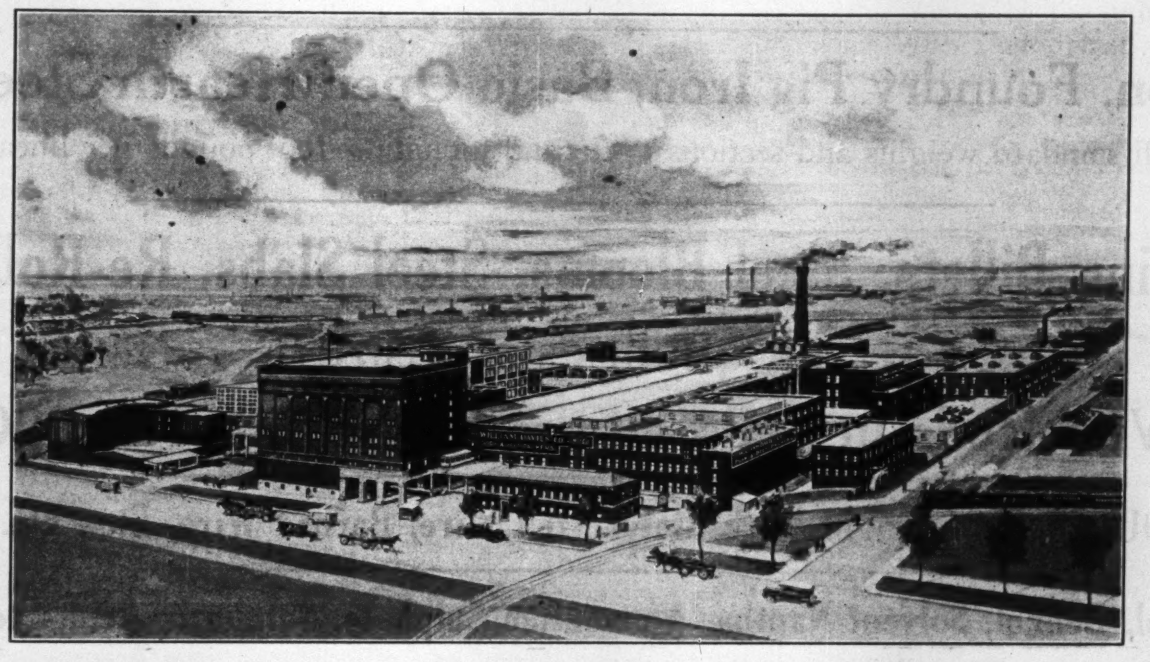
Among Canada's great assets, her stock-raising industry stands well to the fore—and this important industry has been built up on an eager market, pioneered and maintained by the packing companies. The stock-raiser realizes that he cannot sell his stock unaided. People want bacon—not hogs: mutton—not sheep. The market is for the finished product and the machinery for finishing the product must necessarily move ahead of the market. The packing business then has been the parent of the stock-raising industry. Even if it were costing the country money to maintain the packing plants, it would be worth while, because of the work they are doing for the stock-raising industry, but it is costing the country nothing. It is, in fact, saving the country money. Everyone knows how serious a factor an adverse exchange may be and how important an element it is in increasing the prices of all commodities. The only remedy for an adverse exchange is the contra account of export business. The packing houses of Canada, in 1918, shipped 245,092,900 lbs. of fresh or prepared meats to Britain alone and received for it very close to $80,000,000. No argument is necessary to convince the reasoning mind that this business, which, but for the packing industry, would be non-existent, has been a vital factor in keeping prices on a multitude of products within reasonable bounds.

Efficiency That Spells Saving

There has been much capital made recently regarding the profits of the various packing concerns . Had the business been done by thousands of smaller organizations, unequipped to handle the products and by-products of the great packing industry, there would have been far less economy and in all probability greater profits. None but the hopelessly ignorant can imagine that the town butcher of other days, who used a part of the carcass and threw the remainder away, could possibly produce meat at present live weight buying prices as economically as the large packer. The packers' profits are made on what he saves—or in other words, what the butcher would have wasted. Glance at the figures quoted above—figures which represent only a small part of the export business done by the Canadian packers—and figure how small a fraction of profit on such a turnover would yet represent a very large item of profit in the aggregate.

The standardized equipment and methods employed in the packing plants ensure more efficient work and better results at lower cost. The modern packing house takes care of every part of the animal and markets it in some form or another. Not an ounce is lost, save in the one serious and unavoidable element of weight shrinkage, without which element the packing industry would be a gold mine. This item of shrinkage is something that cannot be governed. It exists just as much for the corner store butcher who does his own killing as for the large packer—the difference being that the packer takes this element into more careful consideration than does the individual butcher.

In times like these, economy is essential and waste is criminal. Any agency which bends its efforts towards conserving food products, no matter if it does profit thereby, is, by reason of that saving, a public benefactor.



The Profit the Packer Makes

All discussions regarding the packing industry sooner or later turn to the matter of profits—the fabulous wealth that the packers have been accused of making. They have made profits, but profits on extensive business and efficient organization—the kind of profits made at the expense of no individual or community. A business that is doubled may require a slightly larger staff to handle it and there will be a corresponding increase in production costs, but it will not require double the amount. Business will grow faster than costs, and it is here that the packing companies have made their profits—on the business that is a jump or so ahead of the following costs: and this is a profit that actually costs no one anything.

Perhaps these rough figures may make the meaning clearer. Assume that a merchant sells $100 worth of a certain product at a price to the consumer of 10c a lb., on which the dealer gets a 10% profit. It may be that by aggressive salesmanship he can sell $200 worth at a reduced price of 9c per lb. to the consumer; yet, because of his larger turnover, his profits will be nearly double those he made formerly, less, of course, any incidental charges, due to the extra business. The merchant makes more and the producer pays less. So it is with the packer. He gets his returns by a small margin of profit on many transactions and not by a large profit on a few.

Of every dollar's worth of sales made by the packer, an average of 84c goes to the stock-raiser. 14c goes to expenses, labor, freight and similar items, and the packer, out of each dollar, gets something less than 2c net profit. What other business to-day is operating on so narrow a margin?

The Why of High-Priced Beef and Bacon

Where, then, does the money go? It goes mainly, as has been shown above, to the producer. For every hundredweight of beef or pork he sends to market, he gets the current market price. The packer buys live weight and he gets from, say a 1,000 lb. steer, just 500 lbs. of beef—50% of the live weight. With hogs (costing 17c a pound live weight), the case is substantially the same. There remains, after dressing, not more than 60% of pork. The offal and by-products are, of course, worth something, but not 17c a lb. by any manner of means; yet that is what the packer at the present time is paying for live hogs, and that is a price which takes in all these items.

Nor when you speak of dressed weight, is all that dressed meat worth the price paid. The hog is not all bacon and ham. The loin and the belly are the choice cuts and they represent less than one-half of the dressed weight. The price for the balance would not cover the cost. It is worth, perhaps, on an average, 22 to 25% and to the original live cost of 17c, has to be added the labor of curing, the cost of materials entering into the process and the carrying cost for the period of time required for curing. It is then not a revenue producer. The belly bacon, back and ham must carry the cost of operations on the entire hog, make up for the heavy loss on the offals and show a profit on the whole investment. That is the reason for high-priced bacon. The whole hog must be paid for and the cost of the cuts that people want must pay for those that they do not. Similarly with beef. The choice cuts have to bear the burden of operating costs of the whole carcass, offset any loss on the less-sought-after cuts and offals and yield sufficient return to show a profit on the transaction as a whole.

Why Retail Prices Follow Slowly the Cost of Hogs

A question often arises in people's minds when they read of the decline in hogs, that they cannot immediately buy bacon at a lower figure. The reason is simple. It is merely that the hog of to-day is not the bacon of to-morrow. Curing pork is a process that takes time. The brine must permeate the meat thoroughly and this cannot be done in a day. The curing process takes anywhere from six weeks to two months. A sharp decline in hogs to-day would not, therefore, be felt until probably two months hence, when these hogs were finally ready for sale as bacon. Fresh pork, of course, reacts much more quickly as everyone conversant with the market knows.

Profit for the Customer and Profit for the Packers

Is it possible then that the packers can make a profit and the consumer also benefit? It is, because volume is the deciding factor for the packers. The 5-16 of a cent a pound, which represents the actual cost of the packing operation to the ultimate consumer, is a negligible quantity. If it were entirely eliminated it would make no appreciable difference in prices. It is a fraction too small to be reflected in price charges. Yet this fraction has built up an immense industry of vital moment to Canada. On the success of its business undertakings the success and prosperity of Canada rests, and the packing plant that is the acme of economic administration is among the most valuable assets the country can have. Is it not worthy of at least a fair hearing in the face of the fact that it stands for so much in big Canadian business at so little expense to Canadians?

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STEEL—from War to Peace and Still More Changes

Industry Has Gone Ahead in Spite of Circumstances—Trying Conditions in the Market for Labor—Developments in the Big Canadian Mills—The Matter of Prices—A Brief Review of Trend of Important Events in Investment Circles

By A. R. KENNEDY, Editor "Canadian Machinery."

WHEN one speaks of the steel situation for 1919, he mentions a subject that has had a varied and exciting experience. In short, it can be said very truly right at the start that business, as far as steel and its kindred lines are concerned, has gone ahead in spite of circumstances rather than with their assistance.

It is only necessary to turn back to the first of the year to find that conditions were uncertain. The war had been over—as far as actual fighting was concerned—only a short time. Firms that had been in the steel market for all that they could secure in the way of munition steel, suddenly dropped out, and were in the process of looking around to see what they could best turn their plants and organizations to. All this meant that for some time at least these heretofore large purchasers were out of the market as active buyers, and steel mills, like any other concerns, cannot exist and make money on past performances for any great length of time. The greater the production, the lower the cost, and the lesser tonnage, by the same rule, runs up the cost.

A Campaign of Selling

The sales force of the steel companies had to get down to business in earnest. During the period of the war a man with some steel to dispose of was a person whose acquaintance should be cultivated. He did not have to seek entrance, nor did he have to sit on the "busy" seat outside the door of the purchasing department. What he had for sale was wanted and kenly wanted. By a strange turn of events something of the same situation is coming to be the rule in Canada at the present moment. The slowing down of shipments to this country, due to the steel strike in United States, and the fact that buyers have been holding back for months past, has caused a shortage in Canada that is becoming more acute every day.

But for the first part of the year it was a case of salesmen getting back into shape again. It is not fair to say that they had become lazy, but it is correct to state that they had lost much of that zest which brings a prospective buyer into the market when the mills need the tonnage, rather than allowing him to wait until the workmen are standing around idle, wondering when that car is going to get in from the steel mills.

There were months this year when it was a case of getting back to selling in earnest. Business that had been neglected owing to the pressure of war work, much of which had turned to other channels for supply, had to be brushed up, and there was real work done by the sales staffs of many of the mills and of the jobbers as well.

The Matter of Prices

It may have been that indecision regarding prices had something to do with the way in which the purchasers held back. When control was relinquished there was a feeling that there would be an all-round drop in the steel schedule. The figures that were handed out on March 21 gave a schedule that was received with skepticism. Buyers held to the belief that the prices would sag below the limits named, and they had fairly good grounds, because the schedule was, on the whole, about 81 per cent. higher than the prices which had prevailed for the ten year period prior to the war. They did not take into account that prices of other commodities were even on a much higher plane than that. The situation at that time, when manufacturers in many cases preferred to buy from warehouses and pay long prices for small lots rather than go into the market themselves as large buyers, simply demonstrated once more that it is easier to sell in a rising than a sagging market. Steel men warned the public times without number that prices would not be lower, but when the call for material was not very keen it is hard to convince a customer that there is anything in sight to warrant a firm price.

—Then Came the Metal Strike.

March and April witnessed quite a the Steel of Canada are running at capacity, and the bookings are four months ahead of the ability of the plant to turn out the material.

Work is going ahead on the plant of the Canadian Steel Corporation at Ojibway. War conditions and the high cost of construction have been factors in halding up the work there. Just to what extent the plant may be movement toward good buying, and there was a general feeling that a big business was not far away. Then on May 1st came the metal workers' strike in Toronto and several of the industrial centres of Ontario. Certain it is that a shop where the workers have walked out is not a very good customer, and the result was soon evident in the falling off of the demand, although it must be admitted that buyers showed a remarkable courage all through. In many cases there were cancellation privileges against many shipments, but buyers did not avail themselves of these. Industry is a chain of enterprises and in some cases where the machine shops were ready to go ahead and operate, the moulding departments were on strike. It all helped to keep down the tonnage.

Contrary to a general belief, ship building did not cease with the signing of the armistice, but has provided one of the chief purchasers of steel. The figures for the year ending with March, 1919, show that there was a tonnage of plate, angles, beams, etc., imported for the construction of ships amounting in all to 7,078,955 tons. These figures of course, do not give any record of the amount of material produced in this country as well.

Now the Strike Again

The last strike that touches the steel industry is still on with more or less success in United States, being directed principally against the plants of the Steel Corporation, although a good many of the independents are down as well. Officials of the mills claim that production is recovering rapidly in some of the larger centres. In fact one of the officials of the Illinois Steel Company, who has been in this country for some weeks, stated to the POST this week that their production was now between 60 and 70 per cent. There are others, though, that are far below this mark. The effect is that the tonnage coming into Canada for the last two months can hardly be placed above 35 per cent. of the business booked during that period. Improvement is very slow, and some of the mills that are running become so clogged with business that they are forced to withdraw from the market to protect their delivery schedule. Others working from semi-finished steel are down from lack of material rather than from their own men being out on strike.

The whole situation is one that should call the attention of Canadians to the necessity of developing their own natural resources, so that the country may be more self-contained, and have a greater degree of independence than it has at the moment.

The Developments in Canada

One of the outstanding developments that have taken place in the Canadian steel industry has been the construction of the plate mill at Sydney, the Dominion Steel Corporation acting in conjunction with the Dominion Government for this purpose. There has been no production at the mill yet, but this period is not far removed now, and it is safe to predict that before long there will be ship plate coming from the big plant on the Atlantic coast, and along with that, why should there not be big business done in ship building in the East? Recent Canadian quotations have been only a few dollars per ton removed from the best British price, and the latter is surrounded with so many protective clauses that it may be a fact that the Canadian price is as low or lower than the British.

The plant of the Scotia company in the East has been overhauled following the strenuous war production, and officials of that company are now abroad making arrangements for new markets. This will probably include the shipment of iron ore and coal as well as steel products, for there is an unlimited amount of ore in the Newfoundland properties from which both Scotia and Dominion are at present drawing their supplies.

Although the stock of the Algoma Steel Corporation is not listed locally, there is a keen interest in the doings of this splendid organization. There have been large improvements made to the mill, with the result that they will soon have on the market a much larger size of shapes than they have been heretofore able to roll.

The Steel Company of Canada is operating a fine, new battery of coke ovens, embracing all the best features of the recovery type. At present their coking capacity is some 1,400 tons per day, a large part of which is used in their own blast furnaces, and the remainder placed on the market. Their acquisition of splendid coal fields also helps to make the company more self-contained in regard to raw materials. At present the sheet and bar mills of

Continued on page 44.

CAPITAL AND LABOR

By WILLIAM LYALL, President P. Lyall & Sons Construction Company, Limited.

Capital and employers respect labor more than ever owing to its great sacrifice during the late war and are ready to concede better wages and better living, which must include an eight-hour day with Saturday half-holiday.

Unfortunately, labor does not respect capital, employer or the public, as evidenced by its tactics throughout the world, and until it recognizes the necessity of working in harmony and abiding by the laws of the country, chaos will be the result.

My firm conviction is, that if labor will be reasonable in its demands, it will be met by all fair-minded people and prosperity will accrue to this country such as has not been dreamed of before—because it is here right now ready to expand in all directions.

PRICES—Advance Does Not Stop With War

Problem of To-day is Whether the Present High Level Will Hold—No Outlook For a General Decline For Some Time to Come at Least.

Charts and Statistics by C. W. BOLTON, Department of Labor, Ottawa.

THE opening of the war caught Canada, like practically all countries, on a prolonged upward movement of prices. Just before the war there had come a slight lull, but no appreciable decline. During the first few months of the war there were increases in some articles and decreases in others, but as it was seen that the war was likely to be prolonged, when the large orders for supplies had reduced stocks, and as Canada embarked on the making of munitions and both demand and money increased, the upward sweep began and continued until the armistice.

The general rise of prices during the war, particularly steep at times, ceased as the end of hostilities approached. In some materials, a downward movement appeared in October when the German Government asked for an armistice, and index numbers in Canada as well as in other countries reached the high point in November. The decline which then set in for nearly six months was marked in the case of goods greatly in demand for war material, such as metals, chemicals, some grades of wool, and so forth.

In materials for industry during peace there were diverse movements owing to the uncertainty of industrial demand and trade conditions. Cotton and wool fell for a time and prices on the finished goods were reduced in some cases. The recovery soon began, however, as demand proved better than expected. In leather and leather goods a good demand appeared immediately and prices advanced greatly for nearly a year. Lumber rose considerably in 1919, when building increased rapidly, although it was rather late in the season to do much towards making up the shortage of houses. Many of the metals, which had fallen to peace levels also, began to recover as industries were found to be near a normal basis. Conditions in Canada were greatly and favorably influenced by the ease and speed with which trade and industry in the United States went through the transition from war to peace.

Materials and Wages

Raw materials naturally fell in price long before the finished goods, and impatience at the failure of the high cost of living to fall was increased by the unreadiness of employers to raise wages, because of lack of confidence in the possibility of further increasing the prices of their own products or even of keeping them up to the existing standard. In clothing, as well as in food, the demand from Europe was strong and costs of production were falling little, if any.

While the chief factor in the upward movement in prices has been the war demand in relation to supply, it has been pointed out by financiers, economists and other authorities that the conditions necessary to make the demand effective in its relations to the supply must also be considered, as the rise or fall of prices depended largely on how resulting conditions were handled. It has been pointed out by economists that rising prices and an increasing supply of money are almost concurrent phenomena, but, like the old problem of the hen and the egg, there seems to be difference of opinion as to which comes first. Some hold that increasing monetary supply causes the high prices—or, at least, an increasing supply of money is necessary to make it possible for prices to rise, while others contend that the high prices cause the increase in the money supply. It is usually conceded that if the monetary supply is reduced by trade depression, restriction of bank and other credits, prices tend to decline. The liquidation of Government debts, the cessation of war trade, the repayment of bank loans and curtailment of new loans and so forth, have therefore been expected to assist in lowering prices to the levels which will be found normal for after-war trade and industry.

The Money Supply

This relative increase of the monetary supply had been dealt with by Professor Irving Fisher of Yale before the war. He pronounced it the great factor in raising prices. Before the American Bankers' Association he said:

"It is coming to be recognized that this problem of unstable money lies at the bottom of the problem of the high cost of living. . .

"For many years the Bank of England, by regulating the discount rates and so controlling the volume of credit has, as Lord Cunliffe's committee recently noted, kept the price level of England in tune with the price levels of other countries. The time has now come when the price level of the world itself should be controlled. . .

"We cannot get far in explaining this great rise in the price level and fall in the purchasing power of the dollar if we seek the explanation in the directions where it is usually sought. Profiteering is an effect rather than a cause of rising

Continued on page 45.

SHIPBUILDING—a War Venture Now on a Sound Peace Basis

Canada Can Produce Vessels On a Price Scale to Compete With That of Great Britain—Steel Construction Dominates the Industry—Reasons Why Future May Be Faced With Confidence.

By T. H. FENNER, Editor "Marine Engineering of Canada."

THE feature that stands out most prominently in the shipbuilding outlook in Canada is that of cost. Canada to-day is booking orders for ships at a cost that approaches Great Britain, and compares favorably with any shipbuilding nation in the world. Recent orders for steel cargo steamers have been closed at a price of $100 per ton, which is within $5 per ton of the British rate. It is better than the British figure in this respect, that it is definite. That is, the contract price is not affected by circumstances arising after the work is started. British yards are so handicapped by the uncompromising attitude of labor, that they can only book orders on a sliding scale. If prices of labor and material increased after the contract is placed, the purchaser must agree to pay the extra cost. In addition to this, British yards cannot make delivery for at least a year, and in most cases longer.

Writing in THE FINANCIAL POST one year ago, the writer expressed the opinion that Canadian cost would in the future approximate closely the British. This has come to pass more quickly than anticipated, and is a very hopeful sign for the industry.

Steel Ships Dominate

The future of the industry lies in the building of steel ships, except in a few isolated cases where wooden vessels for special purposes may be built. The lumber trade on the Pacific Coast can usefully employ this type of vessel, and a few of them are being built. Otherwise, the building of wooden ships was a purely emergency measure, and in too many cases they did not meet the emergency very successfully. The concrete ship likewise is being relegated to the limbo of forgotten things. It is true that there are a few barges being built of this material, but as an ocean-going freight carrying possibility, they are not justified. The concrete and wooden vessel may be built entirely seaworthy, but as they represent an equal outlay for less deadweight capacity, the economical factor is against their use.

The shortage in the world's tonnage was at the time of the armistice in the neighborhood of 13,500,000 tons. At the present time it is about half that, and we may look forward to seeing the world's fleet on a normal footing by the end of another twelve months. The figures for ships under construction are not available for the quarter ending September 30, but we have those for March and June.

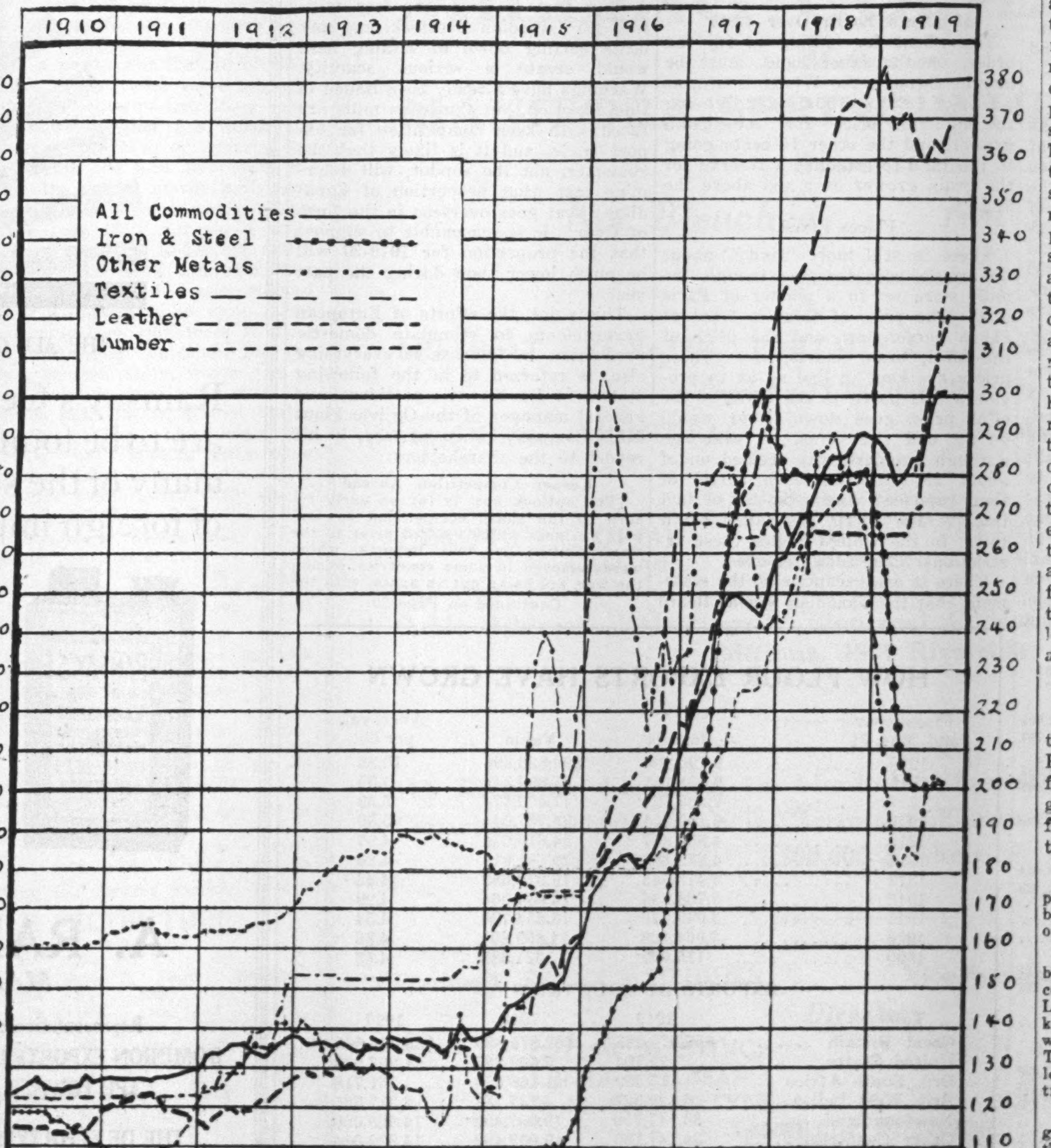
Construction Statistics

According to Lloyds, the merchant vessels under construction on March 31, 1919, amounted to 7,612,364 tons gross. Of this number there were building in the United Kingdom 603 steel steamers, of 2,220,816 gross tons, and five vessels of wood or composite construction, of 1,633 gross tons. In addition to these, 49 steel sailing vessels of 32,396 gross tons were building. On the same date, the United States had under construction on the Atlantic Coast, Gulf and Pacific, 532 steel steamers and motor boats, with a gross tonnage of 2,-

Continued on page 47.

THE COURSE OF WHOLESALE PRICES IN CANADA, 1910-1919

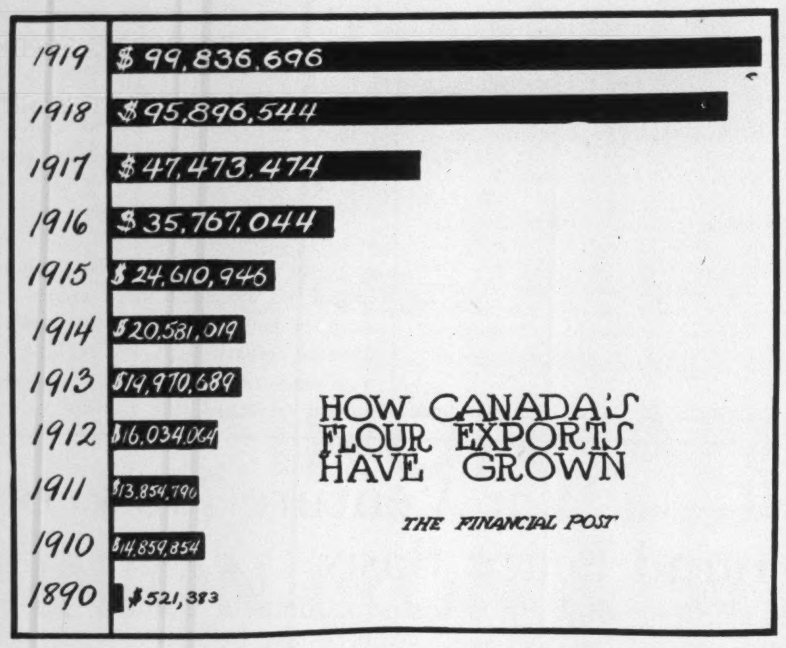
(Average Prices 1890-1899=100)



MILLING—How Canada is Helping the World to Live

Exports of Flour Have Reached a Total of $100,000,000, But They Will Be Less in the Future—European Countries Are Milling More For Themselves—Outlook From the Investor's Standpoint.

By H. H. BLACK, Resident Editor, THE FINANCIAL POST, Montreal



THE special interest of shareholders in Canadian milling stocks will centre chiefly in the export business that offers for the current fiscal years of 1919-20. Only by the maintenance of an export business equal to that of the past two years can the mills hope to maintain their phenomenal earnings, and the best advice that THE FINANCIAL POST could secure in milling and Governmental circles was adverse to a continuation of export business on the extensive scale that prevailed since 1916.

Indeed, where the value of flour exported in the fiscal year of 1918 was $95,896,544, and the fiscal year of 1919 at $99,836,696—although the quantity fell from 9,931,151 to 9,196,806 barrels—it would surprise no one engaged in the industry if the export business fell to two-thirds, or even one-half of the past couple of years.

Europe Hungry for Our Flour

For this big export trade was for the most part induced by the war: an answer to the cry of hungry Europe—England and France, mainly—who were too busy with the war to mill all the wheat they required. Hence it was that a normal quantity, running around three to four million barrels and anywhere between $15,000,000 and $25,000,000 in value around 1911, 1912, or 1913, rose in 1916 to 6,400,000 barrels, and over 50 per cent. up again in 1918 and 1919, while the values, with increasing prices of wheat, ran up from 35 millions in 1916 to 47 millions in 1917, 95 millions in 1918 and nearly 100 millions in 1919, for the year ending March 31.

It is quite true that the Government returns for the first five months of the new fiscal year—April to August—show an increase over the corresponding period of last year from 4,461,313 barrels to 4,928,164, the value increasing from 48 to 52 millions, but this was due to July and August of 1918 being very lean months with the Canadian mills, as the small 1917 crop of wheat had been practically all consumed, and the mills were closed or running light. The three months of the 1919-20 fiscal year, that is April, May and June, showed a decline in exports of flour from 3,064,248 barrels last year to 2,561,826, or a difference in value of nearly $6,500,000. But July and August of this year were far heavier months than last year, so that by the end of August the total exports had risen to 4,928,164 barrels, compared with 4,461,313 last year and 3,565,828 two years before.

Export Falling Off

But all this was included in the statements for the milling year of most of the companies which ended on August 31. Since that time the export orders have fallen short of last year. In September little was sent out, and up to date the total orders have not exceeded 1,500,000 barrels, or sufficient to carry the mills over capacity to about the middle or third week of November. All last year, to March 21, 1919, the orders for export averaged over 750,000 barrels a month.

It is the extent of this export business that is really the determining factor in the earnings of the mills for the current year, for it may be taken for granted that the domestic demand will remain much the same until immigration again develops on a large scale. A detailed list of exports covering the five months from April to August, the latest available, will indicate not only the volume, but the destination of this trade:

Exports for 5 Months Ending August 31

To	1919	1918	1917
Great Britain—			
Barrels	3,912,405	2,892,361	2,152,998
Dollars	41,384,662	31,230,301	18,317,793
United States—			
Barrels	2,063	7,734	213,983
Dollars	18,930	88,606	2,281,006
British Guiana—			
Barrels	38,423	52,968	......
Dollars	406,631	586,956	......
B. West Indies—			
Barrels	146,596	235,561	124,034
Dollars	1,547,330	2,639,623	1,181,489
France—			
Barrels	297,845	1,125,897	....
Dollars	3,202,350	12,282,510	....
Greece—			
Barrels	100,182	....	33,217
Dollars	960,862	....	282,113
Italy—			
Barrels	55,735	22,447	....
Dollars	577,946	242,309	....
Newfoundland—			
Barrels	73,109	96,548	71,623
Dollars	883,274	1,122,283	778,478
Denmark—			
Barrels	48,196	....	....
Dollars	536,048	....	....
Other countries—			
Barrels	228,084	15,657	993,039
Dollars	2,425,197	166,911	8,156,278
Totals,			
Barrels	*4,928,164	4,461,313	3,565,828
Dollars	52,209,579	48,493,722	30,829,995

*Including small quantities to British South Africa, French West Indies, St. Pierre and Miquelon, etc.

Other Milling Exports

Year ending March 31.	1919	1918	1917
Oatmeal ...	$4,032,567	$2,220,666	$ 535,318
Cereals (prp.)	4,247,249	1,496,381	1,645,460
Bran, etc. ..	1,592,212	5,394,130	1,812,135
5 mos. end. Aug. 31	1919	1918	1917
Oatmeal ...	$1,551,168	$2,626,237	$ 996,356
Cereals (prp.)	385,269	920,598	757,755
Bran, etc. ..	1,970,054	497,474	2,475,193

Control by Wheat Boards

Unlike most other industries, the millers cannot ship freely abroad; not a pound of flour goes to Europe from private orders; the Canadian Wheat Board receives orders from the Wheat Export Co. and allots them to the mills in Canada. Last year the Wheat Board allotted the wheat, and the Export Company ordered the flour, but the farmer is in complete control all along the line from the Canadian farmer to the consumer in Europe. When an order is received by the Board it is distributed among the mills on the basis of last year's production, pro rata, not on that of capacity. This is the system determined on as the one most equitable to the smaller mills. As the payment for this export business is in cash, and for other reasons as well, it is considered highly desirable by the mills.

15 Cents Extra Over $2.15

The wheat for milling to fill the order, on the other hand, must be bought through the Wheat Board, at a cost of $2.30 per bushel, $2.15 being the minimum price for the grain grower, and the other 15 cents going to the fund to establish a reserve for the grain grower over and above the $2.15.

Prices Fixed

There is still more "fixity" about the whole procedure, as though the mills were set in a plaster of Paris cast. The price of flour is fixed at $11 a barrel now, and the price of the offal, bran, shorts, etc. These prices are kept in line so as to provide a fair profit to the mills; if the offal price goes down, flour would go up, and vice versa. A year ago a rough standard was decided on of about 25 cents for each barrel of flour produced. As a matter of fact the average profit has fallen below this. In the United States these restrictions have been removed.

There is one exception to the statement that the Canadian Wheat Board controls export: it does not attempt to control the Western Hemisphere, so that business with Newfoundland and British West Indies can be carried on freely.

Europe to Mill All it Can

Reference has been made to the likelihood of the export demand for flour gradually falling off from now on. This seems inevitable. In the list given above for the five months ending August 31, it will be noted that the exports to France have declined over last year's from 1,125,897 barrels to 297,845, and the valuation from $12,282,510 to $3,202,350, or little more than one-quarter. It may be taken for granted that as local conditions improve, the European countries that have been buying Canadian flour will insist on having as large a proportion as possible of their requirements milled by their own mills, a policy that France, for instance, is applying to all manufactured products as far as possible. This is the natural outcome in the reconstruction of industry.

It is, of course, to Canada's interests to press for an opposite policy; to have as much as possible of her own wheat milled in this country before it is exported, the difference in the price of wheat and the finished article, flour, constituting an addition to the wealth of the country. There is one further reason: the less milling that is done, the less millfeed for Canadian livestock, and any large cutting down of milling here would create a serious scarcity. Warnings have already been issued in this direction, but Canadian mills are faced with keen competition for export trade, and it is likely that the customer, not the vendor, will determine just what proportion of Canadian wheat goes overseas in the form of flour. It is reasonable to suppose that the proportion for 1919-20 will be much lower than during the past year.

This point, the efforts of European governments to stimulate domestic production, in flour as in everything else, is referred to in the following statement by the vice-president and general manager of the Ogilvie Flour Mills Company, when he says, in his report to the shareholders:

Keener Competition Abroad

"The outlook now is for an early return to the sharp competition for export business which existed prior to the war. Duties on flour imports, which were removed in some countries during the war, are being put on again, with the

Continued on Page 39.

HOW FLOUR EXPORTS HAVE GROWN

Fiscal year end. Mar. 31	Barrels	Value	Aver. val. per bbl.
1919	9,196,806	$99,836,696	10.86
1918	9,931,151	95,896,544	9.55
1917	7,425,723	47,473,474	6.39
1916	6,400,214	35,767,044	5.59
1915	4,952,337	24,610,946	4.97
1914	4,832,183	20,581,019	4.26
1913	4,478,043	19,970,689	4.46
1912	3,738,836	16,034,064	4.29
1911	3,049,046	13,854,790	4.54
1910	3,064,128	14,859,854	4.86
1890	115,099	521,383	4.53

EXPORTS BY COUNTRIES

To—	1919	1918	1917
Great Britain	$56,270,225	$62,875,839	$26,006,600
United States	99,794	5,602,387	1,267,933
Brit. South Africa ..	17,309	168,073	761,718
Brit. West Indies....	6,329,527	4,137,181	2,317,565
Newfoundland	34,147,750	19,007,492	14,629,086
Other Countries	34,147,750	19,007,492	14,629,086
Totals	$99,836,696	$95,896,492	$47,473,474

To the Canadian Manufacturer---

EXPORTERS and others having business relations with foreign countries are invited to avail themselves of the very complete information which has been gathered by the Bank's Foreign Department. This may be done by directing enquiries to any one of the Bank's branches.

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TEXTILES—Prosperous Conditions During the War Period and After

Shortage in Shipping Facilities Followed by a World-Wide Scarcity of Materials—A New Field Has Been Opened to Canadian Manufacturers—Earnings Have Recently Been on a Very Satisfactory Basis.

By H. H. BLACK, Resident Editor, THE FINANCIAL POST, Montreal.

WORLD conditions, rather than a specific tariff wall, have formed the strongest protective system the Canadian textile mills could desire in the past couple of years. Lack of shipping was one of the elements that reduced competition during the war; now that the war is over it is a world-wide scarcity that has operated so favorably for the Canadian mills, and has ensured for them, to a great extent, the domestic market for their products with a minimum of competition from either the United States, the later competitor, or from their traditional rival in cotton lines and woollens, the mills of Great Britain. All through the later years of the war the home market was in the main at the disposal of Canadian manufacturers, and a permanent benefit has resulted, for in hosts of cases the mills were enabled to place their goods, at first through the necessity of the buyer, which afterwards has developed to taking Canadian products from choice. All over Canada, not only with jobbers but with retailers by the hundred, the handling of Canadian-made fabrics or knit goods that was enforced through inability to get outside goods, has ended in the free choice of these goods, and an extension of a large new field to Canadian manufacturers that was not opened to them before, in many cases through prejudice. There is also the fact outstanding, that in many lines Canadian mills have measured up to the wider opportunities, and a marked improvement in products has taken place. Both of these elements will prove a permanent asset to the textile mills of Canada.

BRIGHT OUTLOOK IN TEXTILE INDUSTRY

By A. O. DAWSON, Vice-President and Managing Director, Canadian Cottons, Ltd.

I am glad to say that I am not at all pessimistic as to the future. I think Canada has in store brighter days than any in her past history. Practically every industry in the country, whether it be farming, mining, fishing or manufacturing, has had several successful years, and their financial position is infinitely superior to that prevailing before the war.

All our people who want to work can get it at favorable rates, and there is practically no poverty in the land. While there is still more or less labor unrest, this is gradually passing away, and our people everywhere are taking a more sane and hopeful view of the situation.

The textile industry is no exception to the general rule. There is plenty of business offering, and the help situation is better than it was a year ago, and the outlook in this regard for the fall and winter is very hopeful.

As you are probably aware our own company has started a co-operative plan throughout the various mills under our control, which has met with the unqualified approval of all our people, and we are expecting good results therefrom.

It seems to me that the time has come when capital and labor must work together for the general good, and employers everywhere will, if they are wise, devise some means whereby their work people will reap the results of faithful service, perhaps in a larger way than they have ever done in the past. Every individual worker in our mills, from the office boy to the manager, will participate in any benefit that is obtained through increased production.

We are starting this co-operation plan too, at the beginning of the fall and winter season, when there is always a natural increase in production, so that the benefits that our people derive therefrom will be, I am sure, very considerable. After this new plan has been in operation for a few months, I shall be glad to let you know the results.

The silk and wool industries are in quite as prosperous a condition as the cotton industry. The mills have all the orders they can attend to, and this condition of affairs is likely to continue for many months to come.

There is a shortage of goods the world over, and it seems to me that it will be a couple of years at least before stocks get anywhere near back to normal.

How War Has Helped Textiles

There are three outstanding groups that have developed financially during the war: the pulp and paper, the milling, and the textile. The first-mentioned developed an export trade that will continue; the second class of industry was able to rush into the huge export market that was opened up, but cannot look to it as a permanent possession; the last of the three established a hold on the domestic field that promises to continue, and will demand for years to come capacity production of the mills. In this direction lies their claim chiefly for the consideration of the investor.

In all three cases production increased; with the pulp and paper mills this was due chiefly to an extension of their own plants; with the latter two classes the capacity was mainly already existent. With all, profits showed very large increases, especially during the last couple of years of the war, and with pulp and paper and textile, these profits are not likely to decline, as production promises to equal at least if not far exceed all previous records. If it does, profits will keep pace in the case of pulp and paper mills, and almost measure up to the old standards with the textiles. This applies not only to the cotton mills, but equally, probably, to the knit goods and the woollen mills.

In a table appearing in connection with this article, the amounts of the sales of various textile companies are given, indicating big increases the last few years. The following shows the totals for four of the largest textile mills in Canada, three of them cotton and the fourth, a knit goods manufacturing:

Year	Sales	Inc. over 1914
1919	$49,330,443	+ 153%
1918	35,631,121	+ 77%
1917	29,332,925	+ 50%
1916	23,776,596	+ 22%
1915	16,797,699	— 14%
1914	19,488,533	

Big Increases in Sales

From these figures, covering Canadian Cottons, Dominion Textile, Montreal Cottons and Penmans, Ltd., it will be seen that the year 1915, when there was a big slump in retail business all over Canada as the result of the war, the sales fell short of 1914 by about $2,700,000, or 14 per cent. With the closing months of 1915 business picked up all over Canada as munition plants started up in full swing with high wages, and from then to the present it has been exceeding well with the textile mills of Canada. An advance of 22 per cent. was seen in 1916, and by the next year the sales were 50 per cent. in advance of 1914, and nearly 80 per cent. above 1915. The year ending March 31, 1919, in the case of three of the four mills, showed a further enormous advance to total of over $49,000,000, or 153 per cent. more than in 1914, or about three times the 1915 record. There is one feature to be discounted in this: this is, that since 1915 the prices of textile lines increased very considerably, so that the actual increase in yardage of products sold would not be much more in some cases.

Profits Went Up Also

So far, however, as the profits of the companies are concerned, these are figured in the main on the value of the sales, or the "turnover" as it is termed, in the retail stores, and thus the profits were just as great on half the quantity of goods if the price were double. How this worked out is indicated by the summary of profits, this time of five companies—three cotton mills, one knit goods, and one manufacturer of garments from cotton goods, for the six years from 1913-14 to 1918-19 inclusive. Starting out with combined profits of $2,558,780 in the first year, these dropped the next year, as did the sales, to $2,397,104, but from then on there were steady increases, that of 1916-17 being $3,718,662; the next year $4,649,642, and the year just closed, ending with three companies on March 31, and one other on April 30, with a total of $7,926,726, or over three times the profits realized in the years 1914 and 1915. This list shows the gains as follows:

Summaries for Five Mills

Year	Profits	Inc. over 1914
1919	$7,926,726	+ 20%
1918	4,649,642	+ 81%
1917	3,718,662	+ 45%
1916	3,311,364	+ 30%
1915	2,397,104	— 6%
1914	2,558,780	

The increases in profits ran rather less than the increase in sales in this period at first; in 1917 being 45 per cent. as compared with 50 per cent. gain in sales, but in 1918 the profits rose to 81 per cent. over those of 1914, and for the fiscal year just closed to 209 per cent., as compared with 153 per cent. gain in sales. Had the fifth mill's record been omitted from the profits list, as it had to be from lack of record in the sales list, the percentage of profits would have been increased rather than decreased, as its profits did not keep pace with those of the majority of the other mills. With such a record the shareholders have good grounds for confidence in the textile mills, being as a rule in a remarkably sound position with the close of the war.

The relation of imports and exports of textile goods has only a relative bearing on the position of the textile mills of Canada. It is taken for granted, as an axiom of the trade, that there are many of the finer lines, English and French, and what are termed the fancy lines made in the United States, that will always be imported into Canada in large quantities. In the main the domestic mills aim to satisfy the trade in staple lines, with some grades of the finer fabrics. In knit goods lines the Canadian mills have been reaching out for business in the finest lines of cotton, silk and woollen goods. In the case of woollen mills, manufacture has been limited chiefly to men's lines, tweeds, etc., but since the war started there has been a very gratifying development in the line of ladies' coatings.

How Exports Came to Canada

As for exports, speaking generally, Canadian textile mills do not look on this as a permanent feature of their business. There were some interesting developments, of transitory character, however, that are worthy of mention in the case of exports, for these during the past two years increased the output of the mills and their profits to a considerable extent, and the year 1919 will see a large volume of export to Roumania, and a number of European countries, just as after the United States entered the war Canadian mills were called on to supply large quantities of duck, khaki, and other materials for the newly-organized army, which had to be equipped too quickly for even the numerous mills in the United States to supply in time. Then, since the armistice, the Canadian mills have been laden down with all the orders they could handle with their Canadian business, for overseas.

Exports of Woollen Goods

12 months ending March 31—	1919	1918	1917
Total	$3,518,850	$8,874,583	$725,148
To U. S. only	2,807,009	8,415,542	130,044
5 months ending Aug. 31—	**1919**	**1918**	**1917**
Total	$359,216	$2,217,363	$2,053,929
To U. S. only	171,520	2,002,197	1,879,278

Exports of Cotton Goods

12 months ending March 31—	1919	1918	1917
Yards	10,312,627	7,359,608	846,099
Value	$2,859,241	$1,914,131	$224,946
To U.S. only	2,310,722	1,562,893	4,740
Tents, awnings, etc., to U.S.	216,749	547,457	1,443
5 months ending Aug. 31—	**1919**	**1918**	**1917**
Value	$1,118,935	$1,551,433	$418,767

Taking the figures for the twelve months ending March 31, 1919, it is seen that about $2,800,000 went to the United States as compared with over $8,000,000 the previous year, both for war purposes chiefly. These amounts compare with a bare $130,000 in 1917, a normal condition. Taking the five months ending August 31 of this year, the exports of cotton lines amounted to only $359,000 as compared with over $2,000,000 for the corresponding period of 1918.

In cotton goods the exports for the twelve months ending March 31 were nearly $3,000,000, a gain of nearly $1,000,000 over 1918, and fourteen times the amount of the year before, the normal condition. Thus, in ordinary times export either of cotton or woollen goods does not figure largely in the sales of the Canadian textile mills.

A brief glance at the imports of cotton goods will be interesting. That of raw cotton is the most instructive, for it is this that is manufactured into fabrics in this country, and means the upbuilding of industry. The imports of the other goods—fabrics and clothing—represent extent to which this country is not self-sufficient in connection with textiles, and is therefore not so comforting to Canadian pride. There was a gratifying increase in the imports of raw cotton for the fiscal year of 1919, of 113,723,000 as compared with 88,000,000 pounds for the previous twelve months, and 87,000,000 for two years ago. For the five months ending August 31, for various reasons, the imports of raw cotton dropped off considerably.

Raw Cotton Imports

12 months ending March 31—	1919	1918	1917
Pounds	113,723,536	88,037,441	87,763,411
Value	$34,008,824	$20,749,774	$13,096,542
Five months ending March 31—			
Pounds	27,502,596	48,970,367	40,653,826

Imports of Cotton, Woollens, etc.

	1919	1918	1917
Cottons	$ 73,377,554	$ 58,922,808	$ 51,138,939
Woolens	40,167,935	35,086,969	42,467,214
Silks, linens, etc.	.....	....	....
Total, Textiles	$168,749,194	$144,513,469	$135,440,824

Summing up the situation covering all the three divisions of the textile industry in Canada, it is clear that for the future the keen competition from Great Britain will be greatly lessened as a result partly of heavy increases in wages and also of greater freight rates for the raw cotton, both of which will bring the Canadian manufacturer more on a level than he was before the war. This leveling-up process, due to greater proportionate increases in wages in England than in Canada, will be a permanent condition favorable to the development of the Canadian mills. Thus, with the development of population in this country the mills should find a larger domestic market available for their products year by year.

HOW TEXTILE SALES HAVE GROWN

Year ending	Can. Cot.	Dom. Text.	Mont. Cot.	Penmans
1919	$10,828,326	$23,666,216	$5,917,519	*$8,648,382
1918	7,573,777	16,850,278	4,308,570	6,896,496
1917	5,719,224	13,375,750	4,397,824	5,840,127
1916	5,540,215	10,438,099	3,055,367	4,742,915
1915	3,321,161	7,643,674	2,291,885	3,540,979
1914	3,500,476	8,899,719	3,017,704	4,071,634

*For year ending Dec. 31.

HOW TEXTILE PROFITS HAVE GROWN

	Can. Conv.	Can. Cot.	Dom. Tex.	Mont. Cot.*	Penmans	Wabasso
1919	$254,574	$1,563,108	$3,434,752	$720,649	$1,953,643	$477,551
1918	217,316	926,615	1,873,371	496,608	1,135,742	508,795
1917	204,005	593,273	1,582,705	473,688	864,780	181,349
1916	140,223	515,114	1,491,195	394,899	779,933	......
1915	41,629	369,412	1,230,768	368,421	386,874	......
1914	121,455	411,104	1,196,990	383,177	444,054	......

OTHER STATISTICS

	Can. Conv.	Can. Cot.	Dom. Tex.	Mont Cot.*	Penmans	Wabasso
Assets	$2,953,667	$14,863,442	$20,301,665	$8,093,357	$10,465,415	$4,188,032
Surplus	443,879	1,365,103	3,349,083	2,420,383	3,350,167	603,263
Bonds	399,000	4,626,000	7,382,500	774,688	2,000,000	891,000
Pref. Stock	None	3,661,500	1,940,600	None	1,075,000	None
Common Stock	1,733,500	2,715,500	5,000,000	3,000,000	2,150,600	1,750,000
Dividends	5%	6%	8%	4%	7%	8%

*Figures quoted are those of Montreal Cotton Company—Montreal Cottons being the holding company only.

STATISTICS OF TEXTILE SECURITIES

Company	Last Div. Payment 1919	Rate	High Price	Date	Low Price	Date	Present
Can. Converters	Aug. 15	5	70½	Oct., 1906	30	Sept. 1916	70½
Can. Cottons, com.	Oct. 4	6	96½	Oct., 1919	16¼	Jan., 1912	95
Do., pref.	Oct. 4	6	87¾	Apr., 1919	60	Aug., 1911	82
Dom. Textile, cm.	Oct. 1	8	125⅞	July, 1919	40	Sept., 1908	121
Do., pref.	Oct. 15	7	110	Jan., 1910	75	Nov., 1907	105½
Mon. Cottons, cm.	Sept. 15	5	83	Oct., 1919	45½	Apr., 1912	76
Do., pref.	Sept. 15	7	107	Apr., 1912	97¼	June, 1914	102
Mon. Knit., com.	Nov. 1, '13	6	93	June, 1912	25	July, 1914	60
Do., pref.	Nov. 1	7	100	Jan., 1913	75	Jan., 1918	88
Penmans, com.	Aug. 15	6	112	Oct., 1919	29	Oct., 1907	107
Do., pref.	Nov. 1	6	98½	Oct., 1909	72½	Feb., 1908	93
Tooke Bros., com.	....	.	75	May, 1917	16	June, 1914	67½
Do., pref.	Sept. 13	7	93	Jan., 1913	70	Aug., 1917	90
Wabasso	Oct. 2	8	107	Sept., 1919	21	Apr., 1918	104

Indicative of the scarcity of motor cars in England is the announcement that the British Government in disposing of war materials, sold hundreds of used motor cars and trucks at prices higher than their original cost. To date, $812,500,000 has been realized from Government sales of excess war stores.

PRICES AND EXPORTS

Values Have Been Big Factor in U.S. Expansion

NEW YORK.—Food, cotton and tobacco and all of them at higher prices are the secret of the unexampled $7,000,000,000 export record of the United States in the fiscal year 1919. An analysis of the exports of the year, article by article, and price by price, made by the National City Bank of New York, shows that most of the enormous increase occurred in foodstuffs and that much of this increase is due to higher prices, while cotton and tobacco also participate to a lesser degree. Manufactures show a slight fall off, except in two or three articles, especially leather and cotton goods, though the reduction in value of manufactures exported is only about 1%, while the increase in cotton exported is about 30% in value, and in foodstuffs approximately 60% of increase.

These gains in foodstuffs are largely due to higher prices. Wheat and flour, of course, controlled by the Government as to price, are practically at the same figure in 1919, as in the preceding year, but in other foodstuffs the quantity increased about 75%, and the value about 110%. These figures are, of course, in very general terms, but taking 25 principal articles of food exported and reducing them to the common denominator of pounds and dollars, it appears that the quantity exported in the fiscal year 1919 increased about 74% over the preceding year, while the value increased 108%.

ELECTRICITY IN SWEDEN

Probably in no country in the world, with the possible exception of the neighboring State of Norway, is there more intensive development in progress in the utilization of electrical energy than in Sweden, according to a statement of the Guarantee Trust Company. There is in Sweden a remarkable tendency to apply the current to every phase of its economic life.

For the electrification of railways seven main sources of power are available: Lagan, the Indal, Ume and Dal rivers, the power plants on the Lule River, the stream of Motala and the Gota River. Many of the existing installations are already fully loaded. Trollhattan, one of the two great State power undertakings, has been several times enlarged and now yields 150,000 horsepower with a normal supply of water.

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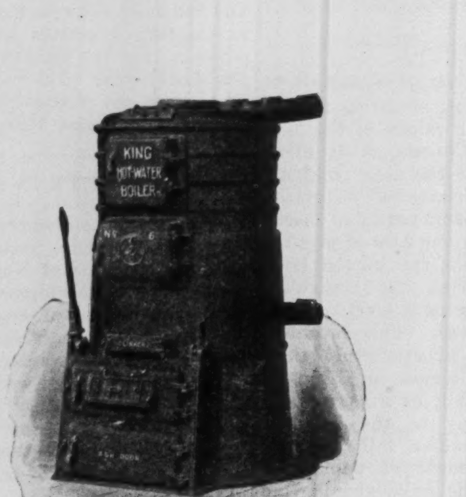

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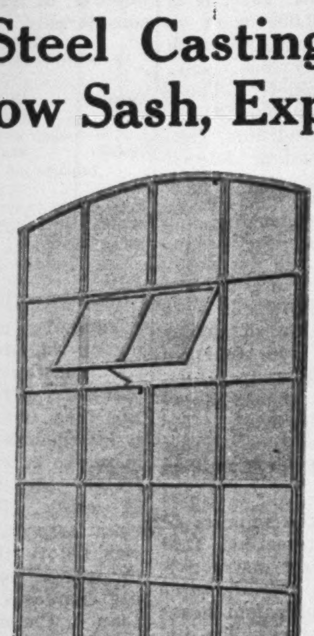

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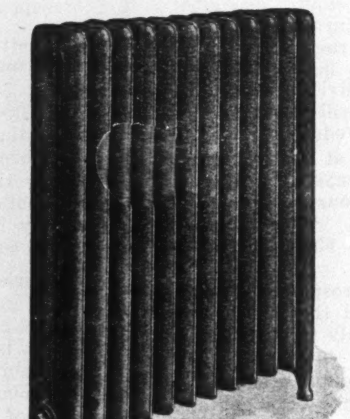

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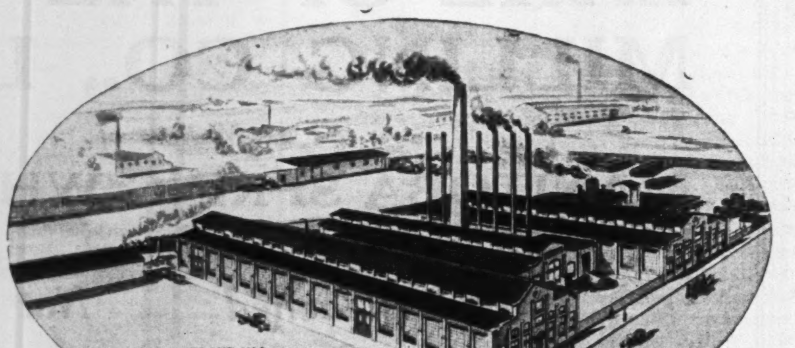

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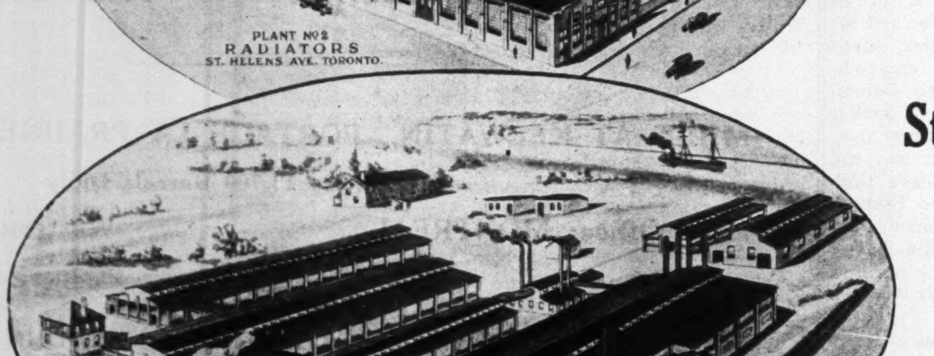

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SUGAR—Supply for Europe's "Sweet Tooth"

Canada's Record Output of 400,000 Tons 300,000 Tons Short of Capacity of Refineries—Great Possibilities in Developing Export Trade in European countries

DURING the recent investigation by the Board of Commerce into the prices and conditions of the sugar refineries in Canada, there was a general impression created of a pronounced scarcity in refined sugar in Canada, so much so that special arrangements had to be made for shipments out West to relieve a pressing shortage there.

The scarcity in Western Canada still exists, and to some extent in the East as well, but this is a temporary condition only, due to some extent to a falling off in orders early in the season, and also to very large export business that the Canadian refineries have been doing.

400,000 Tons This Year

From the point of view of the investor this latter is a most promising condition, and as a result of large orders for overseas' trade the Canadian refineries, by the end of 1919 will have to their credit the largest production in their history. The head of one refinery estimated this for THE FINANCIAL POST at 400,000 tons, as compared with a normal output of 300,000 to 320,000 tons. He went on to declare that there was every likelihood that there would be an equal output in the year 1920.

Can Produce 700,000 Tons

Just how important export business is for the refineries may be seen when the total capacity of the plants in Canada are considered. This runs between 5,000,000 and 5,500,000 pounds daily, of which beet root sugar is about 750,000 pounds. In the year this would amount to about 700,000 tons, so that even the record production of 400,000 tons is only about 60 per cent. of capacity. The consumption of sugar in Canada is now placed by refiners at some 90 pounds per capita, or say 350,000 tons a year, so that the sugar refineries could support double the population with few extensions to their plants. To all of them the export business that developed since the armistice will mean big increases in production and in profits.

Two sets of export figures given herewith will illustrate this export situation concisely, the first covering the fiscal years of 1917, 1918 and 1919, and the second the corresponding figures for the five months of the new fiscal year, from April 1 to August 31.

Sugar Exports, 12 Months Ending March 31

	1919	1918	1917
Pounds	2,052,935	136,945,375	57,788,131
Dollars	169,708	8,976,686	3,496,589
In March, 1918....................			703,865 lbs.
In March, 1919....................			55,361 lbs.

Sugar Exports, 5 Months Ending Aug. 31

	1919	1918	1917
Pounds	132,208,664	639,530	118,113,057
Dollars	11,385,909	48,901	7,457,370
In August, 1918..................			6,125 lbs.
In August, 1919..................			46,466,386 lbs.

It will be noted, first, that for the greater part of the year 1918 there was practically no export of sugar from Canada, but a large export in 1917, and an even larger one in 1919 to date. As between 1917 and 1918, in the first year England, France and other countries took almost all Canada could export, but early in 1918 England imported her own raws, and an International Sugar Commission regulated a world-wide scarcity of raws by limiting raw supplies to Canada, and virtually prohibiting export. After the war ended and shipping became more plentiful, the rigid restrictions of the Allied countries against sugar consumption cased off, and with neither English nor French refineries able to supply the demand, a goodly share fell to Canada.

Sixty Times as Great

Thus, where in the twelve months from April 1, 1918, to March 31, 1919, the Canadian exports had amounted to only 2,000,000 pounds, in the five months' period from April 1 to August 31, 1919, the exports were over sixty times as great, or 132,000,000 pounds!

Again, while export had almost entirely ceased in this five months' period in 1918—a mere 639,000 pounds—the proceeds to the Canadian refineries changed from $48,000 for 1918 to over $11,000,000 in the five months of 1919, a considerable increase, too, over the best figures of 1917. As between the export business in August, 1919, and August, 1918 there is an overwhelming contrast, 6,125 pounds for last year, compared with 46,000,000 lbs. two months ago!

Will Continue at Least Year or Two

Will this big export business continue for long? First of all, the sudden scarcity that has arisen in Canada has resulted in a prohibitory order from the Board of Commerce for any export at present except what has been contracted for. This may mean that there will be little export in November or December, but as the beetroot crop in Canada will start coming in about November 10, and will help provide against any scarcity the embargo on export may be lifted. For next year, it is expected that with ample supplies of raws available, export business will continue brisk, although how much longer, no one can tell.

Because Germany Cannot Supply

The export business to Europe is, in the main, due to the inability of Germany and Austria to supply the demand of England and France, the Scandinavian countries, Denmark, and to some extent the East. Before the war Germany's normal production of beetroot sugar was 2,600,000 tons. Now it is reduced to 800,000, and Germany's own consumption, even on a rationing basis, far exceeds 1,000,000 tons. England's needs are 2,000,000 tons a year, with about half this supplied, normally, by her own refineries. Both in France and Belgium the devastated areas include the greater number of the pre-war sugar refineries, so that these countries must depend for some time longer on Canada and the States. Herein lies a bright prospect for Canadian export business in 1920, and to a great extent in 1921 as well.

While the supply of raw sugar—cane and beet—has been better this year than last, there is still a scarcity in various sections. Canadian refineries, however, have fared fairly well and special allotments came here on the understanding that they were intended for export as refined sugar. Below are given two tables showing first, the Government returns for raw sugar imported into Canada for the twelve months ending March 31, for each of the past three years; and, secondly, the figures for the five months ending August 31, in each of the three years:

Raw Sugar Imported

12 months ended March 31—

	1919	1918	1917
Pounds	718,649,401	765,613,368	731,444,247
Dollars	35,363,499	36,509,967	31,416,578

5 months ended Aug. 31—

	1919	1918	1917
Pounds	480,975,374	317,022,124	418,171,567
Dollars	26,993,214	14,973,882	19,402,310
For August, 1919...............			110,318,256 lbs.
For August, 1918...............			63,016,507 lbs.

Over 60 Per Cent. More Raws

These figures show the largest importation in twelve months' period, of raws for part of 1917 and early in 1918, with a drop for the most of 1918, when there was a world scarcity. But the figures for the present year, April 1 to August 31, show 60 per cent. more brought in than one year ago, while the increase last August over August, 1918, is even greater. Canadian refineries were well favored this year, and even if the Board of Commerce does not rescind its embargo during the balance of the year, the 1919 record of production promises to stand by itself in the history of the sugar industry.

Domestic Business Will Grow

While the large volume of export business can hardly continue beyond 1921 at latest, the domestic field offers large possibilities to the Canadian plants. It is estimated that the per capita consumption will increase, large, relatively, as Canada's is at present. Every 1,000,000 gain in population means 90,000,000 pounds more of sugar required in this country every year, or 45,000 tons. Then the demand for confectionery, ice cream, soft drinks, etc., is gaining, and there is a theory, to which Canadian refiners are not yet fully committed—that prohibition will create a demand for "sweets" as a substitute for drinks, and the 90 pound estimate in Canada per capita will steadily grow. While the average consumption in the United States is 85 to 90 pounds, the estimate for Kansas—a "dry" state for years past —is as high as 114 pounds per capita.

AMERICAN PEACE-TIME EXPORTS

Exports of finished manufacturers from the United States in the first year of peace will aggregate four times as much as in the year before the war. An analysis by the National City Bank of New York of the foreign trade during the eight months of the current calendar year shows that the exports of finished manufactures continue to expand, though that of "manufactures for further use in manufacturing" shows a slight decline.

The total value of finished manufactures exported in the eight months ending with August, 1919, is $1,690,000,000, against $1,361,000,000 in the corresponding months of 1918 and $422,000,000 in the same months of 1914, the total for the eight months of the current year being thus four times as much as in the same months preceding the war.

MOTOR CARS—Plant Extensions Follow the Ever Increasing Demand

Many American Firms Are Turning Their Eyes to Canada—The All-Canadian Car is Becoming a Commercial Fact—Tire Industry Now on Important Scale and Growing Rapidly

By W. A. CRAICK, Editor "Industrial Canada."

IT is perhaps symptomatic of the times that no industries in Canada have experienced greater development either directly or indirectly than the manufacture of automobiles. Of the general industrial expansion of the year the greater part has been taken up by the enlargement of the facilities for producing automobiles and such important automobile accessories as tires and similar equipment. There has been an insatiable demand for cars, driving manufacturers into plant extensions of large proportions, in order to take care of business both present and prospective.

The development, however, is by no means an unexpected one. So far as other industries are concerned, a comparatively small enlargement of capacity would be sufficient to overcome the difference in demand between ante- and post-war periods. Population is very little greater, and even allowing for the higher standard of living, ordinary requirements could be met without any extraordinary strain on existing facilities of production. With the automobile the case has been different. During the war years the ability to purchase, coupled with the desire to own cars, has expanded hugely with the result that the demand to-day is very far in excess of what it was in 1914.

But in the interval there had been no corresponding expansion of manufacturing facilities. Instead, towards the close of the war period, production was being so much restricted that, had the war extended into the present year, the manufacture of cars would have ceased altogether. This condition therefore, emerged as soon as peace was assured, viz., an immense increase in the demand for cars over against relatively inadequate manufacturing capacity. With the automobile in an assured position as an article in universal demand, it became the natural course for manufacturers to pursue to set about increasing their facilities for its production. Largely from this consideration arose the recent activity in the field of plant extensions.

Activity of General Motors

The most notable developments of the year have been those centering around the activities of General Motors of Canada, Ltd., both in Oshawa and Walkerville. In the former town the corporation have been erecting three extensive plants besides going in for a large-scale housing programme. In the latter place two plants have been erected, one for the manufacture of motors and the other for springs and transmissions. From ten to fifteen million dollars are represented in these developments. While other companies have not adopted such extensive programmes, all have been active in one way or another perfecting their arrangements and enlarging their facilities for production.

Several United States manufacturing companies which have not hitherto made cars in Canada are planning the early establishment of industries on this side of the border, and next year should witness quite a movement in this direction. They will bring in their train other complementary industries, for there are still opportunities for the establishment of plants for the manufacture of certain component parts and accessories. Naturally the more cars produced in Canada, the more profitable will the production of parts become.

The Tire Industry

In this connection the development of the Canadian tire manufacturing industry is noteworthy. For example one plant is enlarging its output from 2,500 to 3,500 tires per day, and another is spending a million dollars in doubling its capacity. A leading United States company is starting the erection of a big branch plant in Canada, and others are considering the advisability of taking similar steps. Altogether the automobile industry is establishing itself on a broad foundation.

Reviewing conditions prevailing during the year, it may be recalled that just a year ago automobile manufacturing plants were working very close to a 100 per cent. basis on war work. Then the moment the war terminated there was a rush to carry through those reconstruction plans which had already been formulated. First, war orders were cleaned up and then organization for peace-time activities was proceeded with. This programme of development is still being carried out, and, while there has been a notable increase in the production of cars during the year, it will not really be until next year that the full effect of the reconstruction policy is felt.

The All-Canadian Car

It is significant of the year's developments and an indication of the potentialities of the automobile business in Canada that noteworthy strides have been made this year towards the production of the all-Canadian car. Through the operation of new plants making motors and transmissions, at least one important company will shortly be in a position to turn out a car very nearly 100 per cent. Canadian, as against a product only about 65 per cent. Canadian up to the present time. Other companies are known to be making similar progress, one of the most marked developments being in the building up of a Canadian industry turning out sheet metal stampings for automobile bodies, hoods, cowls, guards, etc. This cultivation of new industries on the part of automobile manufacturers will contribute materially to the industrial growth of the country.

There have been various obstacles to production which have tended to reduce the number of cars that might otherwise have been produced during the past season. Among these has been the difficulty experienced by most manufacturers in getting raw materials. The reason was largely that steel companies were not down to a full programme in the special work required. During the war steel shapes and sizes were generally different from those required for peacetime work, and it has taken some time to make re-adjustments and get a supply of needed material ahead. On top of this condition has come the steel strike in the United States, which is slowly but surely making its influence felt in belated and incomplete deliveries.

Labor an Adverse Factor

So far as labor is concerned, here again the industry has been adversely affected. While there has been no marked shortage of men for ordinary factory work there has unquestionably been difficulty in procuring common labor. In the making of automobiles there is a certain amount of rough work necessary that requires no special skill. This work in pre-war days used to be done by a class of labor plentiful enough in those days, but hard to get now because of the fact that men in this class became used to earning high wages in munition plants and are now averse to reverting to common labor standards. Even among skilled mechanics there are only a small number in this country who have been trained in automobile work, and it has been part of the manufacturer's task to develop enough skilled help for his purpose.

Distribution has only been limited by the ability of manufacturers to supply the cars. At no time during the past year has it been possible to overtake orders, and in some cases months have elapsed between the receipt and execution of orders. Already the indications are that, in spite of increased capacity, next year will witness a repetition of these conditions. Dealers' advance orders are breaking all records.

The trend of prices is still upward and there is little sign of any early recession in values. So long as high wages prevail, raw materials are scarce and dear, and strikes are interfering with production, there can be no decline in prices. While apparently cars are expensive, it is the fact that the advance in their quotations has not been out of line with increases in the prices of other articles. Indeed it is problematical whether any other manufactured product has increased less in price, all things considered, than the automobile. When it is considered that machine tools have advanced from one hundred to two hundred per cent. and that many other articles connected with the industry have experienced similar increases, it is the more surprising that automobile prices are not higher than they are.

Ever-Increasing Demand

It has been declared again and again, as the number of cars in use is considered, that the saturation point is being approached, and it is suggested that from now on the demand will give evidence of falling off. This is a natural belief but it overlooks the fact that each year witnesses not only the appearance of new buyers but the disappearance of old cars. Where there are hundreds of thousands of cars in operation as in Canada, an increasing number will be scrapped each year. These must be replaced, apart altogether from the requirements of people who never owned cars before. Between the two influences there will never be any such condition as complete saturation. In fact it seems to be true that the more cars that are made the greater becomes the demand.

Up to the present it can scarcely be claimed that the Canadian automobile has become a factor in export trade. Some cars have been exported, but of recent years the demands of the home market have been such as to absorb practically the entire output of Canadian plants. The fact, however, that the industry in this country is now approaching large-scale production points to the probability that within the near future manufacturers will be in a position to do some exporting. The country needs to cultivate export trade, and if a business can be built up in automobiles it will help to earn for the nation those favorable balances which will eventually assist in paying off the war debt.

PACKING—a Trying Period Since End of War

Letter to Justify the Complaints of Profiteering—Outlook For Future is Brighter—Canadian Bacon Has Now an Assured Market in Britain.

By F. S. C. CHALMERS, Associate Editor, THE FINANCIAL POST.

AFTER passing through what has been probably the most trying year in the history of the Canadian packing industry, the large Canadian packing houses are looking forward to an era of prosperity. The year that is now closing—from the signing of the armistice to the present—has not been a successful year for the packers. Attacked by the sensational press, maligned by politicians, grumbled at by the general public, carried alternately between hope and disappointment by those who control the overseas trade, the packing industry in Canada has not been doing what the public has accused it of doing too thoroughly—making profits. Generally speaking it has been a losing year for the packing industry.

The outlook, however, is very encouraging, and the leaders in the industry in Canada are looking forward with confidence to the future. The war has developed the British taste for Canadian bacon; the Englishman has found that Canadian packers and Canadian farmers can combine to give him the particular kind of Wiltshire bacon that satisfies his very exacting palate, and Canadian bacon is assured of a market in the British Isles. Definite assurance has been given of a market until December 31 of this year, for the British Ministry of Food has recently undertaken to purchase all the bacon Canadian exporters can send to the United Kingdom up to the end of the year. After the turn of the year Canadian packers will not have the actual assurance of a market, but they will have the moral assurance that comes from providing an article that cannot be provided as satisfactorily from any other source.

Disappointed by Europe

No one factor has hit the packer harder during the past year than the collapse of the mark, the kroner, the franc, the lire, and other forms of Central European currency, and this applies probably more to American meat exporters than to Canadian, which have had the salutary effects of the British demand to offset the situation caused by chaotic international exchanges. The soaring price of hogs and the other "raw materials" of the packing industry that was evident following the signing of the armistice was due to the general expectation of farmers, exporters and others that the lifting of the ban on exports to the Central Empire would lead to tremendous shipments of meats in that direction. Deprived of all fat during the war, the German was expected to import from the meat-raising countries vast quantities of pork and other products to satisfy an appetite made keen by five years of privation. In anticipation of the shortage of supplies and the increased prices that this export trade was expected to bring, prices for hogs rose in Chicago to $22, and even as high as $25 a hundredweight. The prices were reflected in Canada.

But the expected demand from Europe did not materialize. With the mark selling at "tuppence" in London, Germany could not afford to import bacon. The large stocks that had been concentrated in Europe could not be moved and something resembling a panic ran through the packing industry. Live hogs dropped to $14 a hundredweight in Chicago.

Coming at a time when Governmental agencies in the United States and Canada were fighting high prices, the credit for the drop in prices was taken by "anti-H. C. L." campaigners everywhere. They were in no way responsible for the drop; the collapse of the "European export bubble" was the real reason. But that is by the way; how the collapse affected the packers is of more immediate import. It meant that large stocks of bacon and other products that they had in their stocks and in storage had to be sold at far below cost. And as the "raw material" is purchased from five to eight weeks in advance of its sale at retail, the packers suffered heavily.

Relations With Britain

A review of the relations between Canadian packers and the British Ministry of Food during the year will show how impossible it has been for the packers to make their selling prices conform to costs. Up to one month following the armistice the British Ministry of Food purchased all the bacon that Canada could supply. Then notification was sent to Canada that no more bacon was wanted, and no shipments would be allowed until present stocks were cleared. Meanwhile, Canadian packers had been accumulating large stocks, and the new order created something of a panic in the trade.

Negotiations were entered into with the Food Ministry, and after some five or six weeks of debate and correspondence the British Government purchased all the bacon held by the Canadian packers. This eased the situation somewhat until April 1, when bacon was decontrolled, and the packers had to revert to private selling on the British market. Prices steadily advanced until they reached such a point that on August 9 the British Government reimposed control and commandeered bacon stocks in England. As a larger quantity was found on hand than was at first expected the Government decided not to purchase any further supplies from Canada.

Coming at approximately the same time as the bad news from the Central Empires, the effect was anything but good for the industry. However, the packers had been expecting the drop, and though they did not welcome it they were not unprepared to meet it. They resigned themselves to the condition that faced them and sold their stocks at a loss.

The recent arrangement under which Britain undertakes to purchase all the available supplies of Canadian bacon up to the end of the year has had a good effect on the Canadian market for hogs. In Chicago hogs are now selling around $14.50; in Toronto the price is about $18.

Canadian bacon has displaced Danish and Dutch bacon on the British market, but not at the expense of the two smaller nations, which have found new markets on the Continent. For that reason Canada is in a much better position than the United States, for not only is the American industry cut off from the European market by the exchange rates, but is cut off from the British market because of the higher quality of the Canadian product. The American packer will not get on his feet again until exchanges are righted. The Canadian packer can start immediately.

The question might be asked why is so much attention paid to the export trade in discussing conditions in the packing industry. The reason is that about 60 per cent. of Canada's bacon is exported, and that the export trade governs the entire business.

The future of the Canadian packing business is well defined by J. F. McLean, secretary of the Harris Abattoir Co., Ltd., who says: "The prospects for the packers were never so good. Canadian bacon now occupies first place on the British market, and the continuance of the export trade with Britain is the only thing we need."

How the war has increased Canada's trade in bacon is shown by the fact that in the year before the war only $3,763,195 worth of bacon was exported from this country. In the year ending August 31 the amount exported was $66,308,096. Before the war beef exports totaled $1,127,908; during the twelve months ending August 31 they amounted to $28,785,219. Canned meat exports jumped from $94,961 to $5,262,122.

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IMMIGRATION—Ebb and Flow of Settlers' Movements a Vital National Factor

Resumption of Movement From Great Britain Now That the War is Over—Domestic Servants Are Urgently Needed—Canada Getting Agricultural Settlers From the United States, But Losing Many Industrial Workers.

By T. M. FRASER, Resident Representative, THE FINANCIAL POST, Ottawa.

GOVERNMENT ministers and others who have been in Great Britain and on the Continent since the war, all tell of the probability of a great wave of immigration to Canada as soon as transportation and other restrictions are removed or mitigated. The attitude of the Canadian Government towards immigration at present is somewhat restrictive, and for some time it will be limited to one or two classes and those of a kind most easily assimilated. Until things have approached more nearly to normal, both here and abroad, the only classes which will be encouraged will be domestic servants and men prepared to go on the land.

The need of domestic servants is very urgent, particularly in the West. The Department of Immigration has arranged a woman's branch in connection with the London office to handle this work. A Canadian Council of Immigration of Women for Household Service has been formed with headquarters at Ottawa to look after the reception and placing of women coming to Canada. This council will undertake to eliminate those independent agencies in Canada engaged in bringing women here. The work will not be conducted for profit. Hitherto the selection, placing, and subsequent supervision of this class of immigration has not been looked after as it should have been.

Women From Britain

The women who will be brought out will be carefully selected in Great Britain and brought out in parties with a Government conductress. On their arrival here they will be handed over to the Canadian Council of Women for distribution, co-operating with the Employment Service of Canada in regard to placing them. Hostels have been established in Halifax, St. John, Montreal, Toronto, Winnipg, Regina, Calgary and Vancouver by the Canadian Council of Women, which will be linked up with the work in Great Britain so that the women will be under proper supervision until they are safely placed and for some time after. The first party of about one hundred will sail about the middle of November.

The British Government has adopted a scheme of free ocean passages for men and women who have served in the war, which will be issued as the overseas Dominions are ready to receive them.

A good many applications are being made to the Department of Immigration for the admission of relatives of those who emigrated to Canada from Central European countries during the past fifteen years. An interesting feature of such applications is that apparently the German and Austrian Jews have disappeared off the face of the earth. They now all come from "Roumania and Poland!"

There has been a big increase in the number of settlers coming to Canada from the United Kingdom. The total for August, 1919, exceeds the annual totals of British immigration since 1916, being 9,428. Of this number, over 6,000 were wives and children of returned Canadian soldiers, not formerly resident in Canada. The total immigration from the first of April to the end of August this year was 55,515, of which 24,262 was British. Of that total, 27,028 came from the United States; 2,682 came from other (non-enemy) countries, and the balance were British.

Of the total of 15,160 settlers who came here in August, 5,013 went to Ontario; 2,302 to Alberta; 1,935 to Manitoba; 1,876 to Saskatchewan; 1,860 to British Columbia; 676 to the Maritime Provinces, and 11 to the Yukon.

American Figures

The statistics of immigration to and from the United States are probably more instructive at the present time than any others, as, since the war began that has been about the only normal sort of immigration we have had. During the first eight months of the present year it showed an increase over last year of 7,079, the total number entering as settlers being 38,222, of whom 17,-818 were farmers, as compared with 12,663 farmers during the same period of the previous year. They nearly all went to the Western Provinces, being located as follows: Alberta, 10,-665; Ontario, 7,953; Saskatchewan, 7,054; Quebec, 5,094; Manitoba, 3,233; British Columbia, 2,358; Maritime Provinces, 1,749. The States from which they mainly came were as fol-7,054; Quebec, 5,094; Manitoba, 3,233 lows: Idaho, 117; Illinois, 278; Iowa, 149; Massachusetts, 358; Michigan; 664; Minnesota, 439; Montana, 547; New Hampshire, 110; New York, 458; North Dakota, 160; Ohio, 145; Oregon, 104; Pennsylvania, 136; Washington, 228; Wisconsin 121.

In the Canadian West, particularly, they are placing a good deal more dependence on the immigration they expect to get from the United States than from any other country. At present it is being promoted largely by the land settlement associations, who have a personal interest in securing as many new settlers as possible. The one in Saskatchewan, for example, was formed last spring for the purpose of co-operating with the Immigration Department of the Dominion Government in encouraging well-to-farmers from the United States to come to Canada and purchase land. The association has not met with as much success as it expected. It seems to have found a feeling prevalent among the farmers of the Western States that they are not wanted in Canada, although this is certainly a mistake. There is also a rumor prevalent among them that Americans owning land in Canada are subject to a "penalty tax"; that their lands are liable to be expropriated by the Dominion Government at ridiculously low prices, and so forth.

Americans are Welcome

The Premier of Saskatchewan has written a letter to the Land Settlement Association for publication refuting the above rumors and saying that the American settlers are among the best coming to Canada and intimating that the Dominion authorities are extending their propaganda for attracting settlement from that country.

How the tide is running the other way is not so easy to ascertain on this side of the line. Our immigration officials claim that the United States authorities are not so exact in ascertaining and defining settlers as we are on this side of the line, and that many who are mere casual visitors to the U. S. are classed as settlers. The figures available would seem to indicate that the tide of migration is still running rather against Canada. The following figures for some recent months are based on returns made by the United States Commissioner of Immigration in Canada, and show an attempt, at least, to distinguish between settlers and transients:

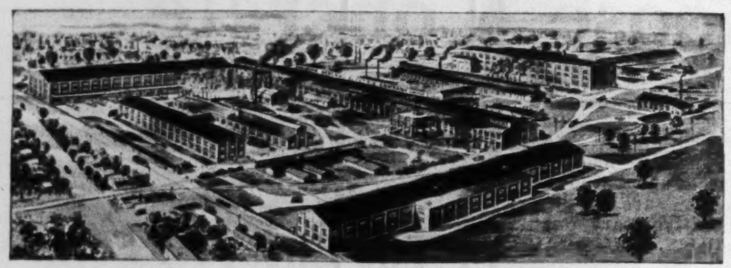
1919	Settlers.	Transients
January	3,442	1,889
February	3,617	2,423
April	5,165	2,816
June	4,713	2,716
July	5,924	3,554
September	6,581	3,969

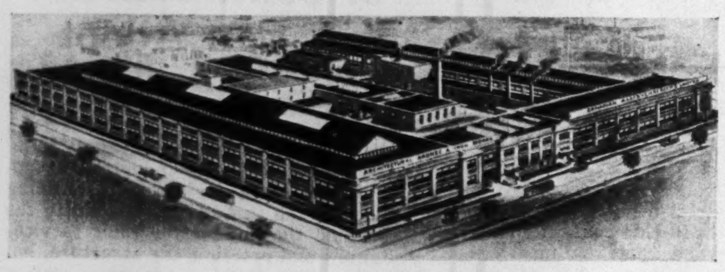
Canada Losing Workers

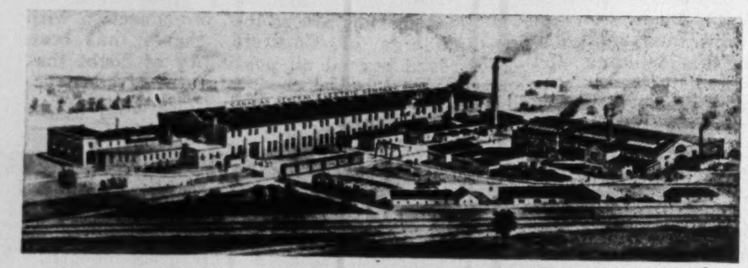
Few, if any of the emigrants from Canada to the United States are farmers except in the case of some of those from Western Canada who have found conditions here not to their liking, or, on the other hand, have made good and returned to the land of their birth. During tho early years of the war, before the United States entered it, there is no doubt that many Western Canadian farmers of American origin whose hereditary or personal sensibilities were wounded by the environment in which they found themselves, did pull up stakes and return across the line, but, generally speaking, farmers who come here, come to stay for some years at least.

Protectionists have seen in this fact that Canada is gaining farmers and losing industrial workers an argument in favor of the contention that our protective tariff is not too high, as alleged. It does not seem to scare off the American farmer, while it does not succeed in creating employment conditions sufficiently attractive to keep our own people here; something might be said for the contention, but the figures are not sufficiently emphatic either way to provide a very strong argument.

Canadian General Electric Co., Limited
Canadian Allis-Chalmers, Limited


Main Electrical Works, Peterborough, Ont.


Architectural Bronze and Iron Works, Toronto, Ont.


Electrical Supply Works, Toronto, Ont.

Bridgeburg Works, Bridgeburg, Ont.

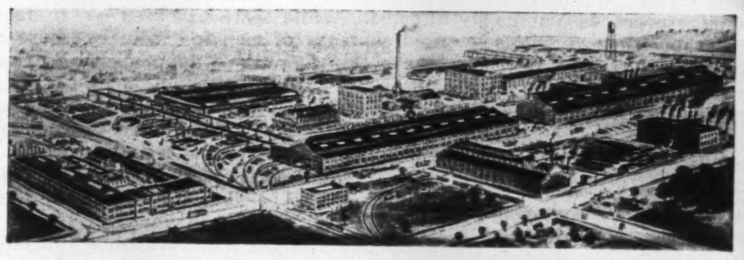
TO the industrial world of Canada the two names above represent the largest general engineering and manufacturing Company in the Dominion and the largest manufacturer of electrical apparatus. The illustrations show eight of the factories in which are made a wide variety of products. For your reference we list a few of them below:

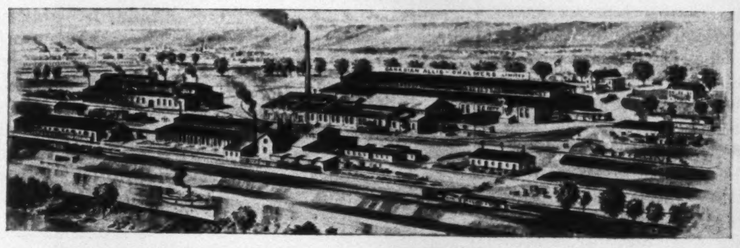
Canadian General Electric Co., Ltd.

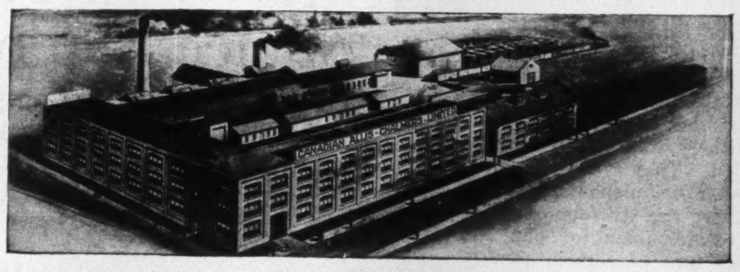
are manufacturers and distributors of Electric Apparatus, Supplies, Automotive Equipment and Edison Mazda Lamps.

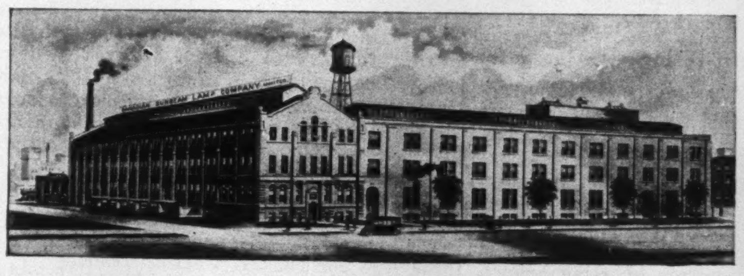
Canadian Allis-Chalmers, Ltd.

are Designers and Builders of Marine Engines, Marine Boilers, Locomotives, Fire Pumps, Steam Shovels, Steel Penstocks, Structural Steel Work, Bronze and Iron Work.


Davenport Works, Toronto, Ont.


Rockfield Works, Montreal, Que.


Stratford Works, Milling and Power Transmission Machinery


Carbon and Tungsten Lamp Works, Toronto, Ont.

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BRANCH OFFICES AT
MONTREAL QUEBEC HALIFAX SYDNEY ST. JOHN OTTAWA HAMILTON
LONDON WINDSOR COBALT S. PORCUPINE WINNIPEG CALGARY
EDMONTON NELSON VANCOUVER VICTORIA

BOOTS and SHOES—Meeting Foreign Competition

Canadian Manufacturers in a Position to Meet Home Demand to an Increasing Extent—The Outlook for Export Business is Also Encouraging

THE boot and shoe industry of Canada has prospects of development before it in two spheres: an ability to satisfy more and more domestic requirements, and an increased production in order to attend to export business that lies before Canadian factories. Special conditions have opened up export orders from a number of countries that will mean only temporary business, but in addition there are a number that it is confidently believed the Canadian manufacturers can supply and will supply for an indefinite period in the future. As figures given below will indicate, the business coming to this country at present combines the two classes, and to a very encouraging extent.

The testimony, and confession, of one of the most enterprising of Canadian manufacturers, both in the Canadian and export field, as given to THE FINANCIAL POST, throws a clear and promising light on the vexed subject of imports into Canada from the United States, in women's shoes rather than in men's, be it said:

"The average shoe made to-day in Canada is much superior to what it was five years ago, and very much better than ten years ago. And in a year or two the quality of shoes made in Canada will be much superior still.

"There are many reasons for this. The complaint that the public made that they had to go to another country for a fine-grade shoe was to some extent correct, but each year this is becoming less and less true. One of the main reasons why the best grade of shoes had not been turned out in Canada was that with perhaps a single exception there was little money behind the shoe manufacturers. In the pulp and paper industry, for instance, there are large sums invested; but comparatively little in the shoe industry. The most of the firms have been small, and for the most part have had a severe financial struggle. Now that they have made fair profits in the last few years, they are on a better financial footing, and in a position to branch out a little, and act a little more independently of their immediate markets. They can divert their efforts towards a better quality of shoe, and they are doing it. This movement is backed up, and induced, to a great extent by the demand from the public for a better class of footwear, coming from all classes. There has been a great change even in the last five years in this respect. Thus manufacturers are forced to a still better grade of footwear. For the most part, now, we are getting from outside only the very best grades and the cheapest. The latter are in many cases rejects or returns, and they come into Canada in spite of the anti-dumping laws. This sort of dumping it is very difficult to stop.

The very highest grade of shoes we are not yet making in Canada, or only a few, that is, shoes selling around $20 to $25 a pair. Perhaps there is a little more style to the imported ones, but the Canadian factories will soon be producing even these too. There will remain for a long time, however, a certain prejudice among women against Canadian shoes, which will work in favor of the imported article.

"Year by year, however, the percentage of imported shoes to those made in Canada is decreasing, and at the present time I do not think the imports exceed five per cent. of the domestic made goods."

Domestic Business

The domestic business in Canada since the war has shown a great improvement over last year in spite of the high prices. This has been due partly to the return of the soldiers, whose footwear the Canadian factories did not supply when they were overseas. Then the increase in earnings of men and women has been responsible for the buying of the higher priced goods, and on these the profits of the plants, naturally, have been greater than on the ordinary staple lines. At the present time the domestic trade is demanding nearly all the factories can turn out, and thus there is not the ordinary incentive for going after export business.

That this is quite a factor is seen by the figures which appear below, covering the fiscal years ending March 31, 1917, 1918 and 1919, and also the five months ending August 31 of these same years:

Exports of Boots and Shoes

Fiscal Year end. Mar. 31.	1919	1918	1917
To Gt. Britain..	$ 495,977	$534,719	$720,573
" Unt. States.	400,641	347,971	151,893
" Newfld.	4,842	2,383	7,740
" Other Cities.	228,874	20,014	71,481
Total	$1,130,334	$905,087	$951,687

Five months end. Aug. 31.	1919	1918	1917
To Gt. Britain..	$ 815,494	$151,166	$195,311
" Unt. States	91,959	162,065	88,484
" France	649,335	10,725	.....
" Newfld.	2,572	1,915	1,245
" Other Cities.	88,226	7,292	8,611
Total	$1,647,586	$333,163	$393,651

It will be seen that during the war there was little difference in the volume of export business, all three years ending March 31 running either just below or a little more than $1,000,000, the advantage being with the year 1919. It is when the returns for the five months ending August 31 are taken that the advance is evident. The two large customers for the Canadian factories in this period were Great Britain and the United States, the former with over $800,000 worth, and the latter with nearly $650,000. The total for the five months of this year was over $1,600,000, as compared with about one-fifth of this sum last year, and less than one-quarter of it for the year 1917. Indeed, the total exports for the five months of the present year to August 31, the latest figures available, were more than double the totals for the previous two years together.

While France and England took the greater part of the export goods, one firm sent shoes practically all over the world. In this case they were freed from the manifest difficulties and uncertainties attending the variant exchange quotations and the incidents attending payment. It was a British commission house, with branches all over the world, that took this order and directed the factory to address hundreds of dozens each to Shanghai, Canton, Hong-Kong, Sumatra, Java, Singapore, Rangoon, Bombay, and other centres in India, etc. All the contracts were paid for in New York. Goods were sent also to China, Italy, and many other countries, including South Africa. As for the future, one of the largest exporters in Canada believes that there will be a certain business with South Africa and France, with Greece, Belgium and Italy as possibilities; New Zealand as a possibility also, and Cuba as a likely field. Great Britain will only take goods while her own factories cannot supply them, and there is a high tariff in Australia. France has always imported large quantities of English and American high-class shoes, and probably will continue to do so.

This particular exporter declared that he did not care for Government orders because they were not permanent, that is orders backed by Canadian credits for the most part. He did not care to crowd his plants with orders except to those customers that were likely to come back regularly. Otherwise there was "a lot of red tape and trouble for nothing." Only in the first years of the war had he accepted Government orders.

So far as competition with the United States factories is concerned, he is not afraid of this. In the first place there is a duty of 15 per cent. on leathers and other raw material coming into Canada. This adds to the cost of Canadian footwear as compared with American. But when goods are to be exported there is a drawback of 99 per cent. in this duty, or, allowing for interest charges for delays, a net drawback of about 95 per cent. of what is paid in duty, leaving this point immaterial. He would be willing to operate this export business at cost, covering overhead alone in order to increase his output if such were necessary, in order to reduce thus his unit overhead cost on his domestic output.

It is estimated that the output of the Canadian factories is about 25,000,000 pairs of shoes a year, with by far the greater part produced in the Province of Quebec, and about one-half in the city of Montreal. Many of the factories are engaged in extensions, and others have plans in view. These include the McFarlane Shoe Company, Dupont Freres, Canadian Footwear, the Tetrault Shoe Mfg. Co., and John Ritchie & Co., of Quebec. The Tetrault Company, during the year, took over the factory of the James Muir Company, and themselves are building an addition to their own plant that will produce some 3,000 pairs of shoes a day more. Altogether it will not be long before the capacity of the Canadian factories reaches 30,000,000 pairs of shoes a year.

MILLING--How Canada is Helping the World to Live

Continued from Page 34.

idea of encouraging and stimulating manufacture at home to provide work for their people and securing the wheat offals which are necessary for dairy and general live stock feeding. It is most essential, however, that our own farmers and dairymen be supplied with the necessary feed for their live stock, and the Government may yet find it necessary to take steps to assist the mills in retaining a large export trade in flour if the dairying and stock interest is to continue at least on its present basis."

Different Conditions in U. S.

At this point it might be mentioned that for some time past the Canadian mills, by reason of the maintenance of the fixed price, both on buying wheat and selling flour, have been placed at a disadvantage as compared with the United States mills. There, all restrictions in price are removed, and the mills sell the former grades of flour, while in Canada there is only the one "standard" permitted, as was the case during the latter part of the war. In the United States, first patents are sold around $13 to $13.75, and the large consumption of this grade for domestic use provide a large profit for the mills, and they are able to sell the standard of flour required for export at a lower price. The Canadian mills have not been allowed as large a profit on the bran and shorts and thus have been compelled to charge a higher rate for flour than if the offal were giving them a larger return.

The statistics given below show that as compared with last year exports of wheat are more than double for the same period—five months since March 31—than in 1918. Figures for the fiscal years of 1919, 1918 and 1917 are given as well.

For 5 mos. ending Aug. 31.			
Bushels .	33,813,321	16,415,541	61,194,386
Value ...	$76,389,613	$37,337,640	$153,706,799
For year ending Mar. 31.	**1919**	**1918**	**1917**
Bushels .	41,373,844	150,392,037	189,643,846
Value ...	$95,905,324	$366,341,565	$244,394,586

Was Peak $100,000,000?

It may be judged, then, that the peak of Canada's exports of flour was reached at practically the $100,000,000 mark for the fiscal year ending March 31, 1919, and that the exports for 1919-20 will run somewhere between the 5,000,000 barrel basis of 1915 and the 9,000,000 barrels of 1918-19.

The financial statements of the large milling companies, as made public in October in every case, showed that the past year, ending August 31, 1919, had not been as profitable as the preceding one, and it is reasonably certain that the current year will fall below the 1919 figures. The latest figures of profits, however, run far ahead of two years ago:

How Profits Declined.

	1919	1918	1917
Lake of Woods	$ 756,616	$ 857,914	$ 569,747
Ogilvie	1,632,516	1,955,414	1,358,847
St. Lawrence.	245,594	268,737	171,071
West. Can. ..	437,986	543,845	418,023
Totals	$3,072,712	$3,625,910	$2,517,728

Profits Now Cut Down

So long as the mills are regulated in buying wheat at a fixed price, so long, moreover will "other than milling" profits be limited. In normal times shrewd buying of wheat carried substantial profits; with the $2.30 price set, this is eliminated. Moreover, unless there is a material advance in the price allowed for flour, the net profit per barrel will be less than last year. The costs are higher, labor up and bags 20 cents up, with the wheat in it 15 to 18 cents per barrel. On the other side of the scale there is $3 a ton more for bran, and $7 more for shorts, or an average of $5 a ton, representing about 15 cents on a barrel of flour. Still the scale inclines against the miller so far.

Even so, investors need have no misgivings. In setting a value on future records, war standards should be looked on as extras or bonuses rather than as averages. With the remarkable progress in financial strength which war business accelerated, the mills should never again drop to the old "average."

THE TYPEWRITER INDUSTRY

NEW YORK.—"The typewriter situation is most promising," says the editor of "Typewriter Topics," the leading trade monthly of the industry. Production has increased probably 100 per cent. since 1909. Output, however, is much below demand, and will continue so for some time. During the two years that United States were in the war the Government took 75 per cent. of the American output. Since 1914 practically all typewriters going abroad have been for use by the various European governments. Business life has been starved as to typewriters for almost five years.

STATISTICS OF MILLING SECURITIES

Company	Last Div. Payment 1919	Rate	High Price	Date	Low Price	Date	Present
Lake of Wds., c...	Sept. 1	12	223	Oct., 1919	65	Aug., 1907	222
Do., pref.	Sept. 1	7	130	Mar., 1911	99¼	Nov., 1907	109
Maple Leaf, com...	Oct. 18	12	209	Oct., 1919	24⅝	Jul., 1914	200
Do., pref.	Oct. 18	7	107	June, 1919	88	Jul., 1914	103
Ogilvie Fl., com...	Oct. 1	12+15	261	Sept., 1919	101	Oct., 1908	250
Do., pref.	Sept. 1	7	140	Sept., 1902	100	July, 1918	108
St. Law. Fl., com...	Nov. 1	6+1	124	Oct., 1919	50	Mar., 1918	120
Do., pref.	Nov. 1	7	97	June, 1919	80	Mar., 1918	90
West. Can. Flour..	Sept. 15	8+2	160	Sept., 1919	100	Feb., 1914	145¼
Can. Bread, com...	Jan. 2, '17	8	38¼	Jul., 1912	13	Nov., 1917	26
Do., pref.	Oct. 1	7	92	Feb., 1914	78¼	Sept., 1919	81

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BUILDING—Will 1920 Be Biggest Construction Year in Our History?

Labor Will Be Scarce and Costs Likely to Be Still Higher Than To-Day—Immigration of Skilled Workers Should Be Encouraged—Nine-hour Day is Better For Outside Men—Many New American Industries.

By J. P. ANGLIN,
President of Anglin-Norcross, Limited, and President of the Association of Building and Construction Industries of Canada.

THE year 1920 I look to as the biggest building year we have ever had in Canada. The only disturbing feature appears to be that of labor, and I am afraid the labor shortage will be seriously felt. Indeed the only limit so far as I can see to the amount of building that will be carried on next year will be the amount of available labor.

There are signs of the cost of building being a little more for next year than it is at present, and certainly no signs of a decrease in the cost, that is, the cost for the same building as this year. I believe, however, that by a careful study of the quantity and kind of materials and careful designing, people may get the same service with very little difference in the cost.

Start at Once to Forestall Scarcity

In any case my advice to anyone who is contemplating building would be to get started at once, even in the late fall and winter, if possible. The condition of labor shortage may not develop acuteness until late next season, but then, with the scarcity of labor we may experience further difficulties, so that the sooner arrangements are made for building next years the greater the likelihood of these being carried out according to the wishes of the owner.

Should Encourage Immigration

In view of the almost certain scarcity of laborers for next year, I think that encouragement should be given to the immigration of building mechanics such as bricklayers, masons, carpenters, and others of all building trades. This is the best class of immigrant we can get, and an immigration of men like these would be in the interest of labor itself. Every building that is put up means more buildings. New factories mean more houses, and more houses mean provision for more workmen and an increase in factories, in office buildings and in every sort of construction. Building breeds building as a sort of contagion. I am not speaking to encourage immigration of building laborers because of any effect it would have in any struggle with labor, but simply because I believe the demand of the building industry will greatly exceed the supply.

Interchange of Apprentices

At the present time the process of making mechanics from apprentices may be dismissed as immaterial. We must, however, come to the point where we will have a good number of apprentices in Canada, and the quicker we reach that point the better it will be for everybody in the industry. The reason that we have found it difficult to get good apprentices in the building trade is that the work is not placed advantageously before the eyes of the young boys. There are so many other lines that attract them. But we are ready to take on apprentices and pay them good wages from the start. Of course the average contractor has a lot of work at one time and then comes a slack period. It is difficult to keep going uniformly all the time. This variation, under ordinary conditions, would mean lack of employment for the apprentices, but an arrangement could be made by which there would be an interchange of apprentices between contractors so as to keep them employed. There is recognized the transfer from one contractor to another of a full-pledged union man, and I believe an arrangement could be made to cover apprentices as well.

Closed Shop and Sympathetic Strike

While dealing with the question of labor, let me say that I am absolutely convinced from a careful study of organized labor that the necessity for the "closed shop" as a weapon in the hands of organized labor has practically passed, and labor itself, in order to obtain the highest and most permanent developments, should frown on the closed shop principle and the sympathetic strike. This, I think, is essential if organized labor is to develop, to be a great instrument for the benefit of the whole country as well as labor itself.

To back up this view, let me cite a case of the great railway brotherhoods of America. They do not, and they have not worked under closed shop principles. Any man may come in and work without joining the brotherhood, but it usually happens that his next step after securing employment is to realize the benefits of that organization and link himself up with it. When the railway heads meet their men they meet them as representatives of their employees, not of a union. This is the most amicable way to settle their differences instead of bringing in an outside man who is not in their employ. In the past I must admit that the weapon of the strike, backed up by the closed shop, was necessary to some extent, and may be even yet in some isolated cases, but on the whole labor should henceforth frown on the principle of the closed shop and the sympathetic strike, otherwise if it comes to a fight and a showdown they will be up against the solid rock of public opinion. The public, as a whole, will not stand for it any longer, and the results can only be the disintegration of the labor organization itself.

Nine-Hour Day Better for Outside

The eight-hour day is a vital question now in connection with construction, but I believe that on all outdoor work the nine-hour day should be the accepted one. The building mechanic who works on an eight-hour basis, or a forty-four hour week, with a nine-hour basis would work probably six hours more a week. But when one takes into consideration the time a man loses on an average, it is around six hours a week, due to inclement weather, so that even with a nine-hour day in effect, he does not usually get more than eight hours on the average. In his own interest, then, the nine-hour day for outside work should stand. For inside work, which is continuous and steady, the men could easily drop back to an eight-hour day. As a rule I have found mechanics favoring the nine-hour day for outside work on account of the extra money that they get.

Increased Production

The question of increased production is another vital matter in the building trade at present as in so many other industries. So much has been said in regard to the lack of production that I do not feel like speakto the men about it, but a short time ago when their wages were increased ten cents an hour, I took advantage to speak to them of the reduction in output, particularly for the last two years, and asked them to show their appreciation of the increased wages by seeing that production advanced as well. The results were very satisfactory. I believe when we get more settled, and with the higher wages that are being paid, that we will gradually get a larger output, for the men will settle down and realize that they have not been producing as they should. There is a very erroneous theory amongst some of the men, that the more they reduce the output the more work they will be making for other labor men. This principle is fundamentally wrong, and they must come to realize that the more that is produced the cheaper the article will be, and there will be more demand of the public for it, which, in turn, will lead to greater production and more employment for labor.

Contracts on Cost Plus Percentage Basis

In connection with the method of payment of contractors for their services I should say that both at the present time and for the year 1920 general conditions indicate that it is against the best interests of owners as well as contractors to make fixed contracts. Some method by which there would be some co-operative basis is by far the most satisfactory one. As proof of this I might mention that over 85 per cent. of our own business has been done on the co-operative basis, and I would urge on other contractors and owners to work in that direction. It is the best under any conditions, in my opinion, but more especially under the present conditions in the building business. We found that out of all the contracts we were carrying under a co-operative basis there was only one in which we were not able to make the owner a saving. In that one case the difference in rates paid for labor from the time the contract was established until it was carried out ran up into a very large sum, and even this advance could have been overcome by savings had there not been other abnormal conditions which presented themselves. The results of co-operation and savings effected where the architect and the engineer appreciate the value of this kind of co-operation, is that the best satisfaction is secured for the owners.

Housing Problem Not Solved

In regard to the housing problem, I still feel that it is far from solved, and if a man would "come across" with some method of construction, one that would reduce the cost, he would make his fortune and be a great benefactor to the public. Some standardization has been carried on, and this has helped to some extent, but some new plans must be evolved. A number of people are working on this, trying to find a solution.

Industrial Concerns Coming Over

In other lines of construction I anticipate a continued growth in industrial buildings all over the country, and, as I predicted two years ago and reiterated last year, there has been and will continue to be a movement of industrial concerns across the border into Canada, and this will continue with increased force. A good deal of this is due to our possession of water power, not so much the price of the power as the fact that it makes us almost independent of coal. In addition, I know of a large number of banking institutions and public works departments that have a great deal of work actually "on the boards," as we say.

Keep Down Prices of Materials

In regard to materials, I think that the manufacturer of materials ought to prepare to increase the volume rather than the price. Any serious increase in price will injure the prospects of the building business. Instead of making all they can out of their present output they should prepare to enlarge their profits through increasing their output. I would rather see an increase in the output of those plants that have weathered the war than see new plants established, but if the existing plants stand still they will force others to come in. There will naturally be an increase in price of materials through the increased cost of labor and freight rates, but when these have been provided for, the price should be kept down as far as possible and the output increased.

The Second Annual Conference

I would like to say a word in closing for the general industry. There is no time in the history of Canada when it is so necessary for us to develop our own Association of Canadian Building and Construction Industries as now, and our secretary is travelling through Western Canada and meeting various bodies of contractors there, making elaborate plans for our second annual conference, which will be held the last week in January. Ottawa will probably again be chosen as the place of meeting. That is the most opportune time for us to meet and consider the problems that have such a direct bearing on the year 1920. Every responsible contractor and supply man should make it a point to be there and give us the benefit of his experience as well as get in line with the work of other men in his own line of business.

FURNITURE—the End of Five Lean Years

Conditions Are Now Favorable and Outlook is For Continued Good Business—Big Demand For Gramophones and Pianos is Noted—Outlook For Furniture Business

DURING the present year, and for the first time since before the war, manufacturers of furniture are beginning to show profits. After five "lean years," manufacturers and traders in the house furnishings industry are looking forward to five—or more—"fat" years. As one manufacturer of furniture on a large scale put it, "the demand for furniture is now the greatest in the history of Canada," and although the shortage of the necessary raw materials is keenly felt everywhere, the business is being operated at a profit, and the prospects for the future are most encouraging.

The enlarged demand is uniform throughout all branches of the trade; "case goods," bedding, beds, upholstery, musical instruments, etc., but the factors governing output and profits differ greatly in the various sections. Manufacturers of "case goods," which includes furniture manufactured from wood, have found labor their most difficult problem. Next has been the shortage of supplies, but as it has been possible to obtain lumber if a high enough price is offered, this problem has devolved itself into one of shifting the burden of cost until it reached the ultimate consumer. Quarter-sawed oak is one of the largest purchases of furniture manufacturers. In 1917 it sold at $90 per 1,000 feet, delivered; now the price is around $275 f.o.b. the shipping point.

Opportunity for Canada

Bedding makers and upholsterers are facing the most serious troubles, for with them the shortage of "ticking" and art tapestries is very acute. Before the war, Canada imported its tapestries and coverings from England and Scotland, France, Belgium and Italy. The United States also imported 85 per cent. of upholstering supplies. When the war shut off the imports from Europe, American textile manufacturers saw their opportunity and now the United States manufactures 100 per cent. of its upholstery goods, and a large part of the Canadian supply. So far local textile industries have not taken advantage of the shutting off of the European market, and while Canadian furniture men are crying out for furniture coverings, Canadian textile manufacturers are allowing them to go to the United States to buy upholstery fabrics.

The labor troubles of the Canadian Cottons, Ltd., which has a virtual monopoly of mattress ticking in this country, and of the Dominion Textiles, Ltd., which turns out the bulk of the art ticking, has meant a greatly curtailed supply of these two commodities and manufacturers of bedding have suffered accordingly. Only 50 per cent. of the demand can be supplied, and as the United States is also short of ticking, bedding makers have had to cut down production to meet the supply of raw materials.

Fillings have been hard to get. Moss is not procurable; kapok, which comes from Java, did not come in during the war, but is now filtering in slowly. Other fillings are more easy to procure. Prices on all these goods have advanced about 300 per cent.

When these problems of raw material supply are solved, the furniture industry will be able to make up for the five war years. General prosperity, high wages, employment for everybody, have increased the demand for furniture, and the fact that during the war people bought little furniture has also helped. It is a pleasing prospect for those in the industry to know that all the goods that they can turn out for some time to come will find a ready market. Pleasing to an industry, which, by an actual survey, was shown to have made an average profit of only 3½ per cent. during the past five years. If depreciation of plants had been included this profit would have been turned into a loss. There were a few exceptions to the general rule; manufacturers of iron and brass beds, for instance, were able to turn out shells and fuses on Government contracts, thus making a profit.

The demand is equally great for all kinds of musical instruments. Manufacturers and dealers in musical instruments do not attribute this demand for musical instruments to "an orgy of spending," to the temporary wealth of the "classes and masses," or to any of the other causes that it has been attributed to by some. They say that the war took music out of the luxury class and made it a necessity. This was proven, they claim, when the British Government taxed musical instruments early in the war, but later had to remove all restrictions on music in order to keep up the morale of the nation.

Many New Phonographs.

Pianos and phonographs are the chief musical instruments manufactured in Canada. Piano manufacturers have all increased their output wherever possible and are having a good year. Phonograph manufacturers have appeared by the dozen since the armistice was signed and there are thirty firms manufacturing them in Canada now. A great number of the patents on these machines expired during the war, and furniture manufacturers and others are now taking advantage of this fact. One concern that manufactured aeroplanes during the war is now making phonographs; a firm that manufactured fuse caps is making the motors. It is not usual for these new entrants into the phonograph field to turn out the complete talking machine. The motors are made by one firm; the case by another, while a third assembles the two and provides the name. None of the new firms have begun to manufacture records, leaving this extensive field as yet to the old established concerns. This "mushroom" growth will probably adjust itself during the year, unless phonographs become standardized to a great extent, as too many different makes makes it very hard to provide a proper service for repairs, records, etc.

To sum up—the furniture industry has suffered heavily from the war, but with a promising future ahead of it, the past has been forgotten, and all efforts now tend towards reaping the harvest of the present—and future—demand.

A VACATION FOR EVERY WORKER

Are factory workers as much entitled to vacations as clerks in stores, stenographers and other office workers?

Nobody wants to work fifty-two weeks every year. Everybody likes to look forward to a breathing spell, to getting off the chain, to being one's own boss and following one's own sweet will for a week or more once a year.

Is there not a relationship between strikes in large plants and the absence of annual vacations?

Some strikes which have occurred lately indicate that the employees were simply tired of working without a break and that they resorted to a strike as the only means of obtaining a good rest or a fling at recreation.

It is a question, however, whether it would not be best to pay even daily wage earners for the annual week off—that is, all those on the payroll for a year or more. There does not seem to be very much more reason for giving almost every other class of workers an annual vacation, with pay, and denying both vacation and pay to those who work in industrial establishments, in mines, on railroads or other plants. The week's rest would bring the men back with re-enforced vitality, with renewed vigor, with greater enthusiasm. Moreover, generous treatment along this line could scarcely fail to improve the morale and intensify the loyalty of a force.—Forbes Magazine.

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FUEL—One of Our Greatest Industrial and Domestic Problems

Despite Fact That We Are Largely Dependent Upon a Foreign Nation For Supplies, There is No Definite Policy to Work Out Our Own National Salvation As Regards Fuel For Heat and Power—A Survey of Our Resources.

An Interview With **ARTHUR V. WHITE**, Consulting Engineer, Commission of Conservation.

ENTIRELY apart from the immediate danger of a shortage of coal this winter, Canada's fuel problem is one that should engage the attention of every Canadian interested in the economic future of his country—and every Canadian is—regardless of whether his particular contribution to Canada's activities is in the sphere of industry, commerce, finance, agriculture, education, or something else. The situation as it is to-day can be briefly stated: Canada is dependent on a great foreign nation for a large part of its fuel supplies, and has no formulated policy for making itself independent of that nation. This condition exists despite the fact that Canada has within its own borders almost unlimited supplies of fuel. To be sure these fuel supplies are located where they are immediately available to only the Western and the Eastern sections of the country; Ontario, Manitoba and Quebec, speaking generally, with all their untold wealth of minerals, forests, and products of the soil have no coal, and only limited supplies of other forms of mineral fuel. But this central area of Canada has the means of making it in the best interests of the United States to supply it with coal; it might almost be correct to say that Ontario and Quebec could compel a supply of coal from the United States. The weapon in Canada's hand is its water-power resources, but as a weapon it is of little use unless properly used.

ESTIMATED COAL RESOURCES OF CANADA

	Area coal lands sq. miles	Semi-anthracite tons	Bituminous tons	Sub-bituminous tons	Lignite tons
Nova Scotia ..	521	....	10,691,000,000	....	....
New Brunswick	121	....	166,000,000	....	....
Ontario	10	....	....	....	27,500,000
Manitoba	48	....	....	....	176,000,000
Saskatchewan..	13,406	....	....	....	65,793,000,000
Alberta	81,878	845,900,000	217,918,000,000	932,053,000,000	29,095,000,000
Br. Columbia..	6,045	....	77,923,000,000	....	5,715,500,000
Yukon	2,840	....	275,000,000	....	5,159,000,000
N. W. Ter.....	300	....	....	....	5,280,000,000
Arctic Islands.	6,000	....	6,600,000,000	....	....
Total	111,169	845,900,000	313, 573,000,000	932,053,000,000	111,246,000,000

Should Not Trespass

The serious need for a greater coordination of effort to solve Canada's fuel problems has been advocated many times. In this work the pioneer has been Arthur V. White, consulting engineer of the Commission of Conservation. Mr. White delivered an address before the Canadian gas industries convention last summer, in which he said, in part:

The most considerable introduction of politics into the industrial question has been, of course, the formation at the Paris peace conference of an international labor conference which has proposed certain clauses affecting labor to be inserted into the treaty of peace.

Without going into a specific discussion of the standard of living or the eight-hour day, it is to be noted that these primary demands of organized labor have thus been given international advertising and that it is intended to bring the pressure of all Governments to bear on the adoption by each country of such a measure as an eight-hour day. It is a very adroit means of establishing in the minds of the public who have not closely followed the matter that the eight-hour day is coming anyhow, and hence that a legal enactment might as well be accepted now as well as later.

While it is patent that such a law cannot be applied equally to all industries or to all kinds of workers—and the Paris proposals make provision for some exceptions, yet the inclusion of this clause in the treaty of peace makes it very difficult to prevent its introduction into kinds of work where it would be wholly inapplicable.

The immediate effect appeared in an agitation for the passage of an eight-hour law by the French corps legislatif. This act was passed April 18th, 1919. It was a part of the general understanding to say that it was certain also to be enacted by national legislation in the United States; that it was coming into all countries, and this misunderstanding was used to assure the passage of the French law. It was even asserted that French employers had assented to its enactment. After considerable inquiry we found this not to be an assent without a protest. The Minister of Labor had called a conference of employers and labor leaders to discuss the proposed eight-hour law and pressure had been exerted on the employers. The latter indeed issued a printed protest against the measure, and they also urged that it should not be inserted in the treaty of Peace. It was declared:—

1. That the total production of France before the war was about $8,000,000,000.
2. That nearly 2,000,000 workers, or 9 per cent. had been killed or maimed.
3. That in workers France had lost one and one-half times more than Germany; two and one-half times more than Belgium; five times more than England and Italy; fifty-six times more than the United States.
4. Together with the frightful reduction in births, which would continue even to 1930, the diminution of 20 per cent. in the hours of labor from ten to eight would cause a reduction in the total production of France of $2,400,000,000, or 30 per cent.

"So long as sentiment governs men's actions, the people on this continent cannot be deprived of that which is essential to their existence. Nevertheless, with the growing scarcity of coal the United States, no matter what her good will or desire towards Canada may be, may not be able to cope with her own and the prevailing world need. There is no doubt that our neighbor will see that Canada is fairly dealt with. We should not, however, trespass upon friendly accommodation.

"The present need for coal is urgent and world-wide. If the United States, either in the interests of her own people or in the interests of people whom she may conclude to be more needy than Canada, should decide that it is more necessary to supply such nations with coal, with the result that Canada's normal supply be reduced, who may reasonably find fault with such a course? Even apart from governmental action, could anyone find fault with the United States if, in their efforts to capture as much as possible of the 160,000,000 tons of annual international coal trade, they sought to deal where they could do so most advantageously? If under such circumstances Canada be judged to be not the best market for the United States coal dealer, from whence does Canada hope to supplement any substantial lack in supply of the coal demand? Let me emphasize the fact that there is nothing new in these possibilities so far as Canada is concerned. The handwriting on the wall has for years been legible. The whole problem has been one calling for ablest statesmanship and not for political or other temporizing and expediency. The problem will never yield to any makeshift policy."

Available Peat Supplies

If this possibility faces us what can Canada do? What are the fuel resources we have awaiting development? First, there is the supply of peat in Canada. The peat bogs of Canada have been estimated at 37,000 square miles, but the larger part of these are in Northern Saskatchewan and other out-of-the-way places. In Manitoba, Ontario, Quebec and New Brunswick there are peat bogs aggregating in area 12,000 square miles. Dr. Eugene Haanel, Dominion Director of Mines, has estimated that the peat bogs in this country contain 28,000,000,000 tons of peat, having a fuel equivalent of 16,000,000,000 tons of coal. Although we have been hearing of experiments to making a commercial success of peat as fuel, we are no farther ahead than we were two or three years ago. The Province of Ontario has a couple of experimental plants in operation, but the fact is that peat has not been commercialized in Canada. If it had commercial possibilities we may safely assume that it would have been developed by private initiative ere this, but until further scientific experiments on a broad scale can determine just how to make peat valuable for fuel, we cannot look to the bogs to help us solve our fuel problems.

Canada has also vast lignite resources. They are being developed to some extent under Government supervision. Alberta in 1917 produced 2.784,283 tons of lignite coal, and in 1918 this had increased to 3,331,216 tons.

Where Our Coal Is

Eastern and Western Canada are well supplied with coal, ranging in hardness from sub-bituminous to semi-anthracite. There is no real "hard" coal in Canada, and even our "steam" coal does not burn as well as that furnished by the Pennsylvania coal fields. This is evidenced by the fact that Canadian railways often transport coal from the East to provide the steam for its engines in Western Canada. This seems like carrying "coal to Newcastle," but the railways seem to think that the better "steaming" qualities of the Pennsylvania coal make the long haul desirable. As will be seen by an accompanying table showing the coal resources of Canada, Nova Scotia, Alberta and British Columbia have the largest areas of coal lands, if we dismiss for the present the coal areas of the far north. These coal areas are all producing now. In 1917 and 1918 coal production in Canada was as follows:

	1917 Tons	1918 Tons
Nova Scotia	6,345,335	5,838.520
New Brunswick	189,668	268,205
Saskatchewan	360.623	347,622
Alberta	4,873,637	6,070,609
British Columbia	2,660,834	2,878,102
Yukon Territory	5,264	2,900
Total	14,435,361	15,405,958

Western Canadian coal has not the heat-giving qualities of the Pennsylvania coal; that is, when used in our present furnaces. There is little doubt that if the machinery for burning coal were improved Western Canadian coal would prove as satisfactory as any other. To quote Mr. White:

"Canadian mine operators have shown enterprise, competing with the better quality of coal, but as a national industry, in view of what the mines would mean to us if the supply were cut off, is it too much to say that there should have been before now a fuller development of such apparatus for burning the Western fuels as to enable us to derive from them the splendid burning qualities they are known to possess?"

Of the coal of Eastern Canada, Mr. White says:

"With the liberation of shipping and the production of more shipping, we may expect Eastern coal operators to increase their deliveries of coal to Western points."

Coal Imports From U. S.

But in 1917 Canada consumed 33,123,735 tons of coal, and in 1918 34,840,605 tons. If our coal production was less than half these amounts where did the remainder come from? It came from the United States. Eastern Canada had coal enough to supply its own needs, and so had Western Canada, but the vast area extending from Montreal to Winnipeg depended entirely on the goodwill of our Southern neighbors to keep us supplied with the fuel necessary to operate our munition factories, run our railroads and heat our offices and homes. We imported in 1917, 20,857,460 tons of coal, and in 1918, 21,678,587 tons.

Possibly it is not entirely correct to say that we depended on the goodwill of our neighbors to keep us supplied with coal. Though few people realize it, there are parts of the United States that are quite as dependent on us for their supply as Central Canada is on the Pennsylvania coal fields for its fuel supply. The Nova Scotia and Western coalfields of Nova Scotia during the each year. In 1917 we exported 1,733,156 tons of coal, and in 1918 1,817,195 tons. In addition the coal fields of Nova Scotia during the war were many times called upon to fill up the bunkers of British and American ships.

There is another commodity, not as solid as coal, but quite as important, which the United States gets from Canada, and which is quite as important to that country as American coal is to us. That is the electrical energy derived from Canadian water powers. Canada has potential water powers of nearly 20,000,000 h.p. Of this, about 2,500,000 h.p. has been developed, and used largely by Canadian municipalities and Canadian cities. We allow the United States to use about 125,000 h.p. of the Niagara River development and about 65,000 h.p. of the Cedar Rapids development. We also export power from New Brunswick to Maine, from Ontario to Minnesota, and from British Columbia to Washington. During the war Canada could have used all its available electrical energy, but at no time was the supply to American industries cut off. Mr. White has said that a reasonable estimate of the fuel replacing possibilities of the power we export to the United States would show that it often equals the amount of coal we import from that country.

What Must Be Done

With such resources available for barter, Canada must adopt a wise policy in conserving its power resources for itself. The projected St. Lawrence development, Niagara developments and electrical developments on all the International waterways must be dealt with in such a manner that Canada controls absolutely its full share of the power to be produced.

There are many things that must be done if the coal problem in Canada is to be handled in a broad way. Our own resources of fuel and power must be developed to the utmost. There must be systematic transportation of coal, and storage of fuel under Government supervision in all parts of the country. There must be provision for helping the people to store their coal early, so as to relieve congestion of transportation at critical periods of the year. If necessary, the wage-earners must be given the means to lay in their coal early. Great economies in the use of coal must be effected by the installation of more suitable apparatus for burning our own fuels. These and a dozen other points have been advocated for ten years, by those who have seen the problems first. In the words of Mr. White:

"Canada's only sane policy is to develop, and that as rapidly as possible, her own fuel and power resources, and by co-ordination of transportation and other cognate agencies to provide for distribution and storage of fuel in all communities of the Dominion. In some respects it is more important to move coal and have it adequately stored and distributed through Canada than it is to move the grain out of the country."

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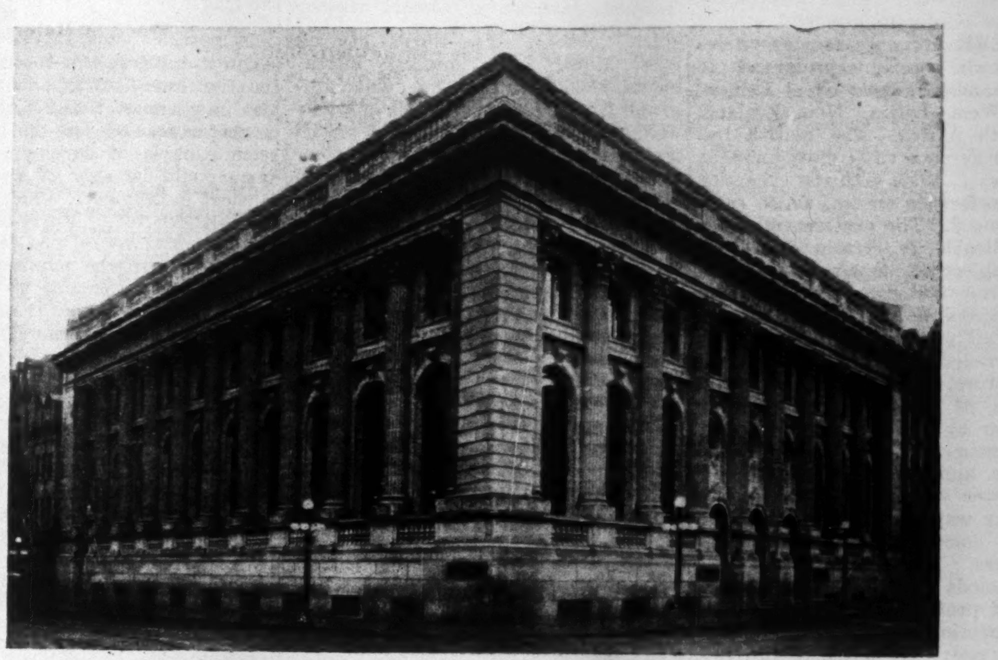

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C. D. Harrington, B.Sc., vice-president and manager, is a graduate of McGill University and the Royal Military College, Kingston, and has been associated with Mr. Anglin for about twelve years.

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HEAD OFFICE - TORONTO

Six million pounds of sugar held in New York by a candy manufacturer for export to Canada will be sold to local manufacturers at a price around 13 cents a pound.

The government town of Nitro, W. Va., built for ammunition purposes at a cost of $70,000,000, has been sold to the Charleston Development Co. for $8,551,000.

THE PREFERENCE—How it Bears on Foreign Trade

Favored Treatment by Great Britain, West Indies, New Zealand and South Africa—Preference Within the Empire Expected to be Carried Out to Greater Extent

THERE are only four countries which give any preference to Canadian goods: Great Britain, British West Indies, New Zealand, and South Africa. The British Imperial Preference came into force on September 1, 1919, with the exception of the preference on tea, which came in on June 2. The preferential rates are applicable to certain classes of goods subject to customs duties consigned from and grown, produced, or manufactured in the British Empire. As yet this preference does not affect many articles of Canadian growth or manufacture, but an extension of the principle of Imperial Preference is hoped for by our manufacturers. In the meantime the farmers of Canada, who are apparently acquiring political power very rapidly, are aiming the other way, their platform declaring for complete free trade within five years.

The goods which come within the scope of preferential treatment from Great Britain, together with the rates of duty, are: Five-sixths of full rate, tea, cocoa, coffee, chicory, currants, dried or preserved fruit, sugar, glucose, molasses, saccharin, motor spirit, tobacco. Two-thirds of full rate: Motor cars, musical instruments, clocks, watches, etc., cinematograph films. Certain classes of wines and spirits also receive preferential treatment. Taking the above commodities in order, it is interesting to see to what extent we do business in them.

The total amount of tea exported to the United Kingdom for the five months ending August of this year was 581,336 pounds; sugar, nearly 81,000,000 pounds. The total value of the sugar, molasses, syrups and confectionery (which come within the preference) exported for the above-named period, was over $9,000,000. It might be mentioned here that the trade in confectionery with the United Kingdom has increased enormously in recent years. For the five months ending August, 1917, it amounted to only $38,376; for a similar period in the present year the value was $1,870,253. Canadian manufacturers have recently secured very large orders from the United Kingdom. One Manchester firm alone placed an order in Canada for about 500,000 pounds, and would have doubled the order if he could have been guaranteed delivery.

The total exports of Canadian tobacco to Great Britain for the period was $1,166,825. Nearly all of this was in the form of cigarettes. Whether our army "swore terribly in Flanders" or not, it certainly smoked freely there, and introduced not only the Canadian chocolate, but the Canadian cigarette. Thus trade follows the flag.

Trade in Motors

Our total trade in motor cars for the five months was about $600,000, and in parts over $1,300,000. With a preference of one-third it would seem capable of development. The same could be said of the trade in musical instruments, which amounted to only $21,797. Forty-one organs and twenty-five pianos sold to a country where the munition workers are said to be putting two or three in one house to show their disregard for money (and harmony!) is a small showing. Apparently we do not export any clocks and watches at all. The other articles mentioned on the preferred treatment list, viz., wines and spirits, are in so uncertain a state with regard to the law that no preference would likely induce any effort to extend business largly at this time.

The policy of the British Government, as outlined above, was to give the British Dominions a preference of about one-third on all manufactured articles on which they impose a duty, which accounts for the somewhat mixed nature of the list and for the fact that it applies to other parts of the Empire, as a rule, more than to Canada. The preference on food products is about twenty per cent.

The West Indies

The British West Indies and Canada have had a preferential arrangement for some time. In 1913 the following entered into a ten-year agreement to give a preferential rate to various articles, the growth, produce, or manufacture of the United Kingdom or Canada: British Guiana, Trinidad and Tobago, Grenada, Barbadoes, St. Vincent, St. Lucia, Dominica, Montserrat, Antigua, St. Kitts, Nevis, Virgin Islands. The Dependencies which refused to enter the arrangement for one reason or another were as follows: Jamaica, Bahamas, Turks and Caicos Islands, British Honduras.

The reasons for not desiring to come under the operation of the preference were various. Matters of small local politics were the stumbling blocks in some cases, and in others they feared its effect on existing trade connections. Jamaica, for instance, depends almost entirely on the banana trade with the United States for its prosperity, and has always been fearful of anything which might tend to disturb it. It is not likely that such fears have any foundation, as the United States itself has preferential arrangements with Cuba and the Philippines.

The principal articles on which a preference is granted are the following: Agricultural implements, boots, biscuits, brooms and brushes, bacon, bran, butter, cement, cheese, coal, cordage, cereals, condensed milk, doors and sashes, etc., fish, flour, furniture, lard, machinery, nails, nickel ware, oats, paints, paper, pianos and organs, soap, trunks, lumber, vehicles, and wire. The preference varies, but runs from twenty to twenty-five per cent.

New Zealand

New Zealand gives the British Empire a preference varying on different articles but averaging about 12½ per cent. Australia does not give Canada any preference at present, although it grants a preference to Great Britain. They are now preparing to revise their tariff there, and will likely extend the preference to Canada. South Africa grants a preference of about three per cent. to any British Dominions which reciprocate.

The above are the only countries granting a preference to Canada, but it is likely that the United Kingdom will extend the tariff and the preference to a number of other articles in the near future and that the tendency of the future will be an extension of preferential treatment among British Dominions generally.

During the war the great shortage of shipping has acted as a sort of automatic protection to many distant countries like Australia and New Zealand, and the difficulty of importing goods has done a great deal to encourage manufactures in those countries.

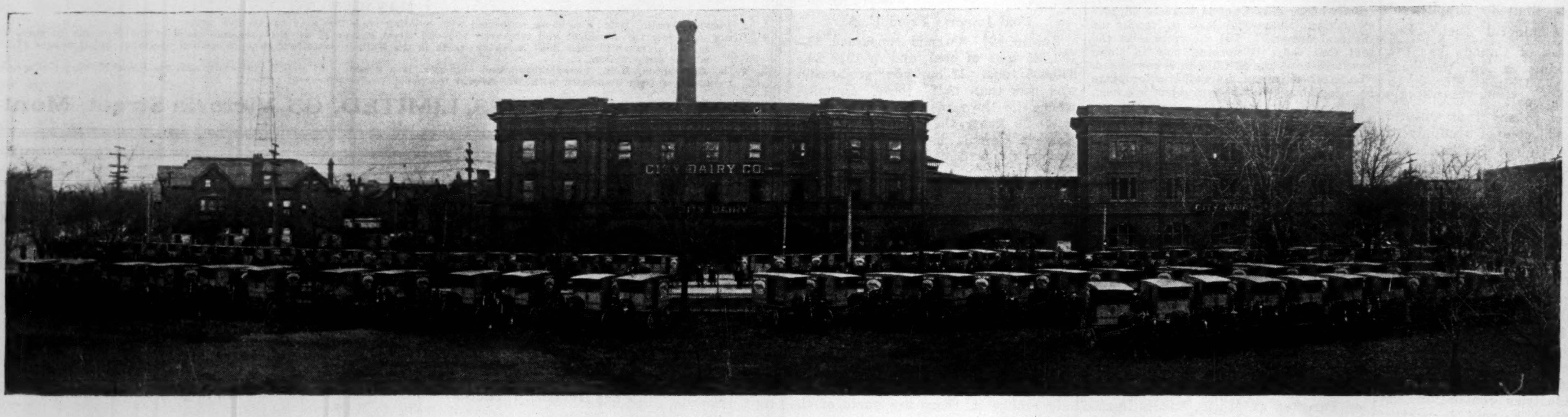
European Trade

Canada's efforts to build up trade after the war with Europe have not as yet produced the expected results. A very large number of Canadian manufacturers exhibited at the Lyons Fair last spring. The Government aided and encouraged this in every way, but hereafter is likely to leave the matter to the individual initiative of the manufacturers themselves. The action of France in raising its tariff to almost prohibitive figures has killed trade with that country for the present at least.

An examination of the French tariff will show how heavy have been the increases.

Groupes of Articles Affected		Coefficients of Increase	
65 articles	............Increased	1 1-10	times
85 "	.... "	1 2-10	"
54 "	.... "	1 3-10	"
181 "	.... "	1 4-10	"
86 "	.... "	1 5-10	"
78 "	.... "	1 6-10	"
28 "	.... "	1 7-10	"
70 "	.... "	1 8-10	"
36 "	.... "	1 9-10	"
75 "	.... "	2	"
87 "	.... "	2 1-10	"
30 "	.... "	2 2-10	"
63 "	.... "	2 3-10	"
53 "	.... "	2 4-10	"
57 "	.... "	2 5-10	"
182 "	.... "	2 6-10	"
126 "	.... "	2 7-10	"
95 "	.... "	2 8-10	"
68 "	.... "	2 9-10	"
704 "	.... "	3	"

Exports of Canadian produce to France for the five months ending August, 1919, were something under $20,000,000, less than one-eighth of those to the United States. Exports to Great Britain in the same period were nearly $228,000,000.



An Asset of Canada's Most Creative Industry

FEW industries hold as important a place in Canada to-day as that represented by the City Dairy Company, Limited, whose principal Plant and Delivery Fleet may be seen in the illustration above.

In achieving increased business for its Plant during recent years, the City Dairy Company has done a great and wholesome work for the benefit of the community for whose service it exists, and in whose increasing patronage it finds its success.

To be instrumental in securing for a large city abundant supplies of pure milk and dairy products is a kindly enterprise for capital.

Some idea of the magnitude of the operations necessary to serve the City Dairy Company's 40,000 customers may be learned from the following details which are worth noting.

One unit in the Company's organization is a fire-proof stable to acommodate its 300 horses.

A farm of 1200 acres at New Lowell is kept solely for the purpose of maintaining a herd of high-grade, pure-bred, tuberculin-tested cows. Here City Dairy "Certified" milk is produced.

Modern milk receiving plants are maintained at Woodstock, Listowel and Embro; whilst at Courtland, Ont., yet another plant is now in course of construction. In these plants the milk is chilled prior to its transit by rail to the distributing centre. Each receiving plant is capable of handling 50,000 pounds of milk per day, and at each the most up-to-date equipment is installed.

A Laboratory is maintained for testing and research work and an inspection of the sources of the Company's milk supply is made periodically by the Company's experts.

Then there is the main plant in Toronto (illustrated above). Here the milk is tested before being sent to the glass-lined containers, where it is scientifically clarified and pasteurized before being cooled, bottled, sealed air-tight and passed on to cold storage rooms ready for delivery first thing each morning. Every operation in the plant is a model in perfection of cleanliness and the result is safe, pure milk of the highest known food value.

The special preparation of "Baby Milk" is deserving of particular mention, and is another detail of the many that go to make up the Company's service.

That this service is appreciated is shown by the fact that when the Company took over the business of its subsidiary Company, Messrs. S. Price & Sons, Limited, not only were the entire list of customers of that Company maintained, but a greatly increased patronage resulted, as well as increased efficiency and economy of operation. Increased profits proved the natural result, and the 1918 Report of the Directors to the Shareholders, after making provision for depreciation, bad and doubtful debts, etc., amounted to $112,022.62, an increase over the previous year of $41,747.79.

After paying the Dividend on Preferred Shares ($36,750.00) the balance carried forward amounted to $159,507.40. In announcing the resumption of dividend on the Preferred Cumulative Stock, the Directors stated that they looked forward with confidence to future profitable operation of the business, and this hope seems to have been fully justified.

The Company is fortunate in having for its General Manager, Mr. W. J. Northgrave, who has been connected with the Company since its earliest operations. His long and thorough experience ensures economy and efficiency as well as high perfection of service which the whole organization has reason to be proud of.

The Directors of the Company are: C. B. McNaught, President; S. J. Moore, Vice-President; Messrs. A. E. Ames, W. J. Northgrave, T. N. Shenstone, Lieut.-Col. F. H. Deacon, Geo. Weston and John G. Kent.

Service, scientific progress, financial stability and future promise based on present performance and a record of steady growth are features to-day of the City Dairy Company, Limited.

The City Dairy Company, Limited - Toronto

EXPORT PROBLEMS—Leading Questions for the Manufacturer to Consider

Attitude and Ability of the Man Himself of Dominant Importance—Decision Necessary as to Whether He Will Manufacture For Export or Export What He Has Manufactured.

By EDWARD EWING PRATT, Vice-President U.S. Overseas Products Corporation.

WE have had national and even international conferences devoted to the subject of foreign trade, we have dined and lunched with foreign trade; we have been surfeited with orations and declarations concerning foreign trade; we have been inundated with newspaper and magazine articles, pamphlets, brochures, and books, and even series of books devoted to foreign trade. And yet the average manufacturer—not the colossus—but the average man has a comparatively vague idea of the actual method of initiating, developing, and maintaining foreign business.

The manufacturer who desires to thrust himself into foreign trade, or who has an export business thrust upon him, has before him a series of rather complex situations. He has certain decisions to make which are of great importance to the success of the undertaking. But the conditions and the decisions with reference to them are not unlike the conditions and decisions with reference to any other expansion of his business.

Fundamental Principles

The essential fact for every manufacturer to keep in mind is that the same fundamental business principles apply to foreign trade as apply to domestic trade. The business principles which have been worked out in connection with a successful domestic business are more than likely to be successful when applied to the same business in foreign countries.

There are many differences in detail in conducting an export business, but after all the majority of the differences are differences of detail and not of principle.

Most manufacturers begin the study of foreign trade and the problems of exporting their products at the wrong end. They begin with the study of foreign countries, shipping facilities, tariffs of foreign countries, foreign competitors and many other, at the moment, relatively unimportant facts. The real crux of the manufacturer's problems in foreign trade is usually to be found in his own factory, in his existing organization, in his treasury and all too frequently in the manufacturer himself. The manufacturer who begins his excursion in foreign trade with a careful study of his own situation will often save himself much time, worry, and mental perturbation, to say nothing of thousands of dollars.

Let us approach the manufacturer's problems in foreign trade by clearly defining what is meant by exporting, export business, foreign trade, and a host of similar terms. They all simmer down when the ornamentation is removed to the bare fact that we are talking about selling merchandise in foreign countries, or that the manufacturer is extending his business into new markets.

The problem of how to go about this extension of business is, therefore, the problem of mapping out a selling campaign to cover the conditions in the new markets. Reduced to the simplest terms and stripped of conventional verbiage, the problem is likely to present a new aspect to the manufacturer. He recognizes clearly that extension of his business involves certain factors, and probably the first that occurs to him is the financial one. Every extension of business means additional manufacturing equipment, additional organization, additional working capital. The manufacturer who plans to conquer foreign markets must consider, therefore, whether or not he has the additional capital to put into the business, and if so, how much, because it may be that he will feel strong enough to develop two or three foreign markets, but not the entire world.

A Question of Ability

Important as the financial aspect of the problem is to the average manufacturer, I have always felt that a more important factor in the situation was the attitude and ability of the man himself; his attitude toward the whole business and his willingness to put himself as wholly and as closely into this part of his business as into any other part; his ability to direct a world-wide organization which comes back, in fact, to his ability to choose and train subordinate executives. Many men take up exporting as one takes up a fad, giving it desultory attention, pushing it aside when seemingly more important matters interfere and never permitting it to become a real integral part of the business. If that is the spirit of the executive head of the business, for the sake of his own success and the good name of American commerce abroad, let him drop export business and stick to his domestic trade.

A Big Question

The manufacturer must answer for himself the vital question whether he intends to manufacture for export or intends to export what he has manufactured. The difference between these apparently similar questions is the difference between success and failure. Take the example of the maker of ploughs—one such manufacturer once sent a man to Argentina. It was his business to get the facts about conditions there. He actually worked in the fields and found out exactly the kind of a plough that was suitable to that particular trade and to those peculiar soil conditions. He sent a cablegram at the cost of many hundreds of dollars, instructing the manufacturer in detail as to the changes that must be made in order to meet conditions in Argentina, but the superintendent objected. "We cannot make those changes," he told the manufacturer; "it would involve the alteration of our entire manufacturing methods." But the manufacturer knew the man whom he had sent to Argentina, and so he gave orders to the superintendent: "I have confidence in the man I have sent to Argentina, and the ploughs for that market are to be made in the way that he desires. You follow his instructions." The result has been a large and profitable trade built up in Argentina. This incident illustrates how necessary it is for the manufacturer to be sure of himself. Many of those who expound the subject of foreign trade to us would have us believe, that we should manufacture always and exactly the kinds of goods that are demanded in foreign countries. The manufacturers of ploughs must manufacture the kind of ploughs that are needed because soil conditions require peculiar kinds of ploughs not only in different parts of the United States, but in different countries. There are also important changes in the character of merchandise that are dictated not by physical conditions in various countries, but in many cases by the tastes, practices, or even the whims of our foreign customers. Many of our manufacturers rightly refuse to change their process of manufacturing, and to change their products in accordance with every infinitesimal desire on the part of some small market abroad. It is a fundamental fact in our industrial system that we are able to produce low-priced goods in spite of high labor costs in the United States because we have learned the lesson of standardization and large-scale production. We are able to compete because we produce merchandise not by units or dozens or even hundreds, or by feet or yards, but because we produce merchandise by thousands and tens of thousands and by the mile. It is, therefore, up to the manufacturers to introduce their standardized products or their superior products into foreign markets by the best methods known to American salesmanship.

The manufacturer who has really decided to embark upon a selling campaign in foreign countries and has really made the decision to extend his business into foreign markets has at his disposal two essentially different methods of doing this business abroad.

Doing Business Direct

First, he may do his business direct, that is, he may develop a direct selling campaign in foreign markets through salesmen, exclusive dealers, correspondents, branches, etc.

Second, he may do his business indirectly; that is, through export houses that are established exclusively for the purpose of developing business in foreign markets.

Most manufacturers, without knowing why, are inclined to favor the first of these two methods. They believe that it brings them in direct contact with their customers and gives them a more permanent, substantial, and profitable business. They are prone, therefore, to believe that the standard of success is their ability to handle their business directly in foreign countries, and to eliminate as far as possible the agency of the middleman in export.

The man who expects to do business directly in foreign countries, and has decided to eliminate the export house must clearly recognize certain facts. Such a manufacturer must resolutely put aside the very efficient and expert services that can be rendered him by professional export houses that are already established in the United States and in foreign markets. Such a manufacturer must send out his own salesmen or conduct his business by mail or he must establish his own offices or must give the representation of his business to exclusive dealers who will handle his business and the business of no one else. He must decide where he will establish his branches, where he will send out his salesmen, and where he will establish exclusive representatives. He must find the men who are to act as managers of his branches and he must take the entire responsibility of selecting responsible representatives. He must decide whether he is to hire Americans or whether he is to hire natives of the country. He must also decide in case he is placing exclusive agencies whether or not he will back up the work of his exclusive agencies with a selling force. Then comes the difficult and trying problem of selecting a force of salesmen, and it is no easy matter to select competent salesmen to go into foreign countries. In some markets he will find more or less difficulty in finding salesmen who can speak the language of the country to which they go. There are certain markets in which the manufacturer who desires to export direct must completely revolutionize his sales methods. In China, for example, the manufacturer must consider the installation of the compradore system and must forego almost completely the possibility of getting directly in touch with the Chinese retailer or even the larger native jobber. Also, the man who exports direct has to deal with a multitude of consular regulations of our foreign customers, and if he would make a success of his business, he must make a thorough study of consular regulations. He must make a thorough study of the tariffs of foreign countries. But, perhaps, more important than any of these, he must be able to find a man who is familiar with foreign tariffs and consular regulations, who reads the languages of many countries and who can take the original documents with all their official, complicated and technical terminology and translate them into understandable and usable English. The manufacturer who exports direct must take care of his own forwarding and shipping and must, therefore, be familiar with shipping routes, rates, documents, and even chartering.

Service is Necessary

The manufacturer of a technical article must be prepared to give a special and peculiar kind of sales service in foreign markets and must in many cases be prepared to give service in addition to making the actual sale and after the goods are on the market. Many manufacturers whose products require service find it necessary to establish service departments in connection with each of their foreign agencies or branches. There is also the difficulty of registering patents in foreign countries and the matter of trademarks which is a pitfall for many exporting manufacturers.

But these are only some, and comparatively few at that, of the problems that face the manufacturer who expects to export direct into foreign markets. There are the problems that manufacturer who desires to build up his own marketing organization in foreign countries must face and solve.

For the manufacturer who does not desire to export direct and who is willing to use assistance of export houses, there are equally perplexing—perhaps, not so numerous—problems to be met and solved.

The export house is not of a single character or quality. There are export houses and export houses, and the service that they give, together with the character of their business, varies greatly.

Types of Export Houses

Three types of export houses are to be distinguished:

First. — The Export Commission House;

Second. — The Export Merchant, and,

Third.—The Manufacturer's Export Agent.

It would be difficult to select any one export house in New York that could be considered typical of any one of these three classes. They represent exporting functions rather than particular export houses. It is interesting to distinguish between these different functions, however, and to consider which of them meets the needs of the particular manufacturer.

The export commission house or, as it is called in England, the indent house, represents a certain number of foreign clients. The export commission house purchases for these clients in the American market, and for the service performed charges its clientele abroad a commission, usually 2½ per cent. to 5 per cent. It receives this commission because it renders a buying service and must, in order to earn its fees honestly, shop around in the market and obtain the best prices on the commodities in question. It is obvious, therefore, that the American manufacturer who operates through the export commission house receives little service and only sporadic orders, and these orders only when he is the low-priced man.

The export merchant is a man who buys on his own account and sells outright in the foreign market. Most of the large firms that operate mainly on this principle have their own branch houses abroad, purchase their merchandise in the American market, take it to their own branches abroad and there sell it for what they can get for it. If the manufacturer can induce one of the stronger of these houses to handle his line exclusively, he is likely to have one of the best outlets that he can possibly obtain. If, however, his goods are not of the kind that can be exclusively handled, he will not find the export merchant much of a help to him in his problems of export because the export merchant, like the indent merchant, will shop around for the lowest prices.

The manufacturer's export agent represents a comparatively new development in our export business. The firms operating on this principle accept the exclusive agency for certain American manufacturers and agree to market their goods abroad, for which service the manufacturer pays them a commission or gives them some sort of an inside or special discount. It is not proper for the manufacturer's export agent to accept a commission from the foreign customer. The difficulty in the case of the manufacturer's export agent, however, is that as a whole they are not a particularly stable group, and the business has not become sufficiently well developed to give it the prestige that the older established export houses are likely to have. Nevertheless, this method of doing business represents a real advance in the art of export merchandising.

Regarding Credits

We have considered a very limited number of the problems that face the manufacturer who is about to embark on the plan of developing larger markets. The practical man who may be reading these lines is probably wondering why I have said nothing about credits. The subject of credits is, perhaps, the marrow of the whole export problem and the question as to whether the manufacturer is prepared to extend credits to reliable customers abroad or whether he must demand cash against shipping documents in the United States may determine to a very considerable extent his whole export policy and will certainly determine whether or not he will become a direct exporter or whether he will do his business through the export houses.

After all, the manufacturer who is not willing to give credit of from thirty to one hundred and twenty days' sight at some foreign port should not, in general, embark upon the policy of developing his export business direct. In the last analysis the export house performs that essential function for the manufacturer. It takes off his hands in addition certain marketing problems, but the chief thing of which it relieves him is the credit risk.

Finally, let me again urge the essential point in export business, the point that is of essential importance to the manufacturer, and that is that export business is conducted on the same fundamental principles as domestic business: and that while the problems are differently clothed, the conditions vary, and the language is unfamiliar, the essentials of business success are the same. Manufacturers should not fool themselves into believing that it is easier to get business in foreign countries than in the United States. As a matter of fact, export business is one in which our producers meet not only their competitors from the United States, but meet as well on equal terms—and some on unfavorable terms—their competitors from foreign countries. It is a business in which organization, salesmanship, and personnel are the things that count, larger even than in our domestic business.

Approximately $185,000,000 has been paid out by the British Government since the armistice was signed in out-of-work doles. There are still 275,000 people receiving the out-of-work donation.

Dr. Royal Meeker, chief of the United States Bureau of Labor Statistics, estimates that $2,262 is the minimum salary a married man with four children can live on properly under present price conditions.

Press Clippings

Our business is to gather from all the newspapers in Canada important news items about **your business** and place these before you each day. If you are a **manufacturer** and have an interest in certain factories anywhere in Canada you would be interested in **news about** those **factories** or items on **prices** of your **product**, prices on **raw material**, also **markets, imports** and **exports**, etc. You would like to know what **competitors** were doing. It would pay you to subscribe for our service and keep posted. We read the newspapers as a business: what is your subject?

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PAINT—War Over, World Brightens Up

Canadian Manufacturers Have Found Increased Domestic and Foreign Demand Since the Signing of the Armistice—Some Interesting Figures of Developments

THE annual statements of the paint companies of Canada, many of whom end their fiscal years on October 31, will show marked increases in sales during the past year, nearly all of which fell within the period since the armistice. The increase includes both domestic and export business, and both will show a very healthy growth. So far as domestic business is concerned, many firms and individuals deferred painting until after the war, and of the firms, among the largest customers of the paint mills have been the railroads. Moreover, as in many other lines, domestic stocks had been allowed to become depleted, and the brisk demand forced a replenishment.

So far as export trade is concerned a world-wide scarcity operated to secure orders for the Canadian mills, and an intelligent policy sent overseas a special representative of the Canadian Paint, Oil and Varnish Association. Among the countries where a demand developed were the British Dominions, including India; several of the South American countries, Russia, China, Italy, Belgium, Greece, and Roumania, the last-named orders being financed by Canadian credits. What will become of this export trade when production in other countries becomes normal, no one can forecast. In the meantime the Canadian mills are "making hay while the sun shines," prepared either for a total eclipse, a partial eclipse, or a condition where the "sunshine" will be a perpetual phase of foreign trade.

The following figures show that the exports of paints and varnishes of all kinds for the fiscal year ending March 31, 1919, was more than equal to the total exports for the two preceding years:

Exports Paints and Varnishes

For year end. Mar. 31.	1919	1918	1917
To Great Britain..	$ 205,869	$170,437	$547,316
To U. S.	194,360	73,507	107,580
To Newfld.	129,285	93,971	67,900
To other countries.	1,246,845	405,903	241,102
Totals	$1,776,359	$743,818	$962,988

For the five months ending August 31, 1919, the exports were a little less than for the corresponding period of 1918. The returns for the later period are given in more detail. One year ago exports to South Africa led; this time Great Britain took the most.

Exports for Five Months Ending Aug. 31.

	1919	1918	1917
To Great Britain....	$200,192	$ 45,252	$ 48,463
To United States....	23,306	56,835	22,341
To Australia	5,861	55,950	......
To British Guiana ..	3,543	20,447	......
To South Africa...	20,514	80,128	......
To Brit. W. Indies	11,968	27,099	......
To Newfoundland...	45,884	43,317	27,837
To New Zealand....	8,092	45,675	......
To other countries..	34,142	40,895	101,055
Total	*$353,502	$415,598	$199,696

*Not including $7,481 of putty and $5,836 worth of varnish. The 1918 and 1917 figures include both.

Imports are comparatively small in relation to the rapidly growing production in Canada, and when the increase in price is taken into consideration the quantity indicates a substantial decrease. The main lines imported are white zinc from the United States; oxides, dry colors, etc., and lampblack, etc. Following are the comparative figures for the fiscal years ending March 31, and also for the five months ending August 31 in 1919, 1918, and 1917:

Imports for Fiscal Year

Ending March 31.	1919	1918	1917
From G. Britain.	$ 223,194	$ 230,869	$ 451,977
From U. S.....	3,370,503	2,917,909	2,631,560
Other countries.	9,534	38,824	88,809
Totals	$3,603,231	$3,196,602	$3,172,346

Imports for Five Months Ending Aug. 31.

	1919	1918	1917
From G. Britain.	$ 138,978	$ 100,046	$ 118,311
From U. S.....	1,221,885	1,570,993	1,361,268
Other countries.	5,975	3,700	19,971
Totals	$1,366,838	$1,674,739	$1,499,550

The legislature of the State of Bahia, Brazil, has authorized the distribution of annual cash prizes of from $2,500 to $10,000, to be distributed among individuals or corporations that establish factories for the utilization of raw products not now exploited within the state.

HOW ONE BIG BRITISH FIRM TURNS TO PEACE

LONDON.—After finishing one of the hugest munitions programs of any allied engineering firm, the Sir Wm. Armstrong, Whitworth Company of Newcastle-on-Tyne, is back on a peace footing again. All of their immense steel plants have been reconstructed with a view to further war work should hostilities ever break out again, but with these slight modifications the peace program is now being gone ahead with. During the war the firm turned out ships, tanks, guns, aeroplanes, shells and mountings. As a civil industry they will turn out marine engines, locomotives, brassware, stampings, castings, pneumatic tools, machine tools, and commercial steel.

The large shops at Elswick, where the heavy gun mountings were made, is now occupied with the making of marine engines and turbines. The shell works at Scotswood have been converted into locomotive works. Where formerly thousands of shells were turned out every week, "a locomotive a day" will be the motto. The shell-filling departments, the cartridge factories, the shell turning plants and the minor divisions of the immense organization will be devoted to the smaller products mentioned above. The shipbuilding plant, where 47 warships were built during the war will now turn out merchant ships.

During the war the company produced a stupendous quantity of munitions of war; including:

21,000,000 cartridge cases.
18,500,000 fuses.
14,500,000 shells.
12,500,000 rounds of 18-pdr. ammunition, complete.
13,000 guns and gun mountings.
1,000 aeroplanes.
100 tanks.
47 war ships.
22 merchant vessels.

Disproving charges of British antipathy to research work as applied to industry, the company established during the war the most complete laboratories in the country for the investigation of steel processes and kindred matters. The result was the production of high speed tool steel surpassing anything of foreign manufacture formerly imported into Britain.

STEEL—from War to Peace and Still More Changes

Continued from page 33.

built does not seem quite certain, although one very reliable report has it that there has been accommodation made for fourteen blast furnaces of the 600-ton type. It is interesting to notice the manner in which costs for this sort of construction have grown in the past few years. It has been found that it costs as much to put in the foundation for a 600-ton stack as it did in pre-war days to complete a 250-ton furnace. According to information given to the POST by one of the officials of the company, work is going to be carried on at the Ojibway plant very shortly on a much larger scale, and it seems reasonable to supopse that once they start on this, they will go ahead as quickly as possible, as there is no hope of any returns until they get to the point of production.

A glance at the steel securities in Canada show that they are stronger than at the first of the year. For instance, Dominion Steel Corporation started the year at 62½. The lowest point reached was 59, against a high of 73 in the first part of July. The latest quotations show a little better than 70.

Nova Scotia Steel and Coal common has provided the thrills of the season. Starting the year 1919 at 66, it sank, on news that parts of the plants would be closed for repairs, to as low as 49, from which it did not start to recover until the last of April. From the first of May it has run up from 60 to 97 on the first of June, when rumors were circulating regarding a merger. October saw it at 78, while last sales were up again to 86. Preferred has moved very little, as the security is not speculative. The year started at 105 and now is rated at 106.

Steel of Canada common has probably been one of the most popular traders, and its course throughout has been consistent and even. Starting out at 65 for the first sales of 1918, it is now selling around 73. Low price was 58 at the first of February, while the best price was 76 during the first week of July. Preferred has also held well, opening at 95 and now being at par. In fact, there has not been a variance of six points throughout the year.

STATISTICS OF IRON AND STEEL SECURITIES

Company Security	Outstanding	Last Dividend or Int. Date Maturing	Rate	High Price	Prices of Securities: Date	Low Price	Date	Present
Lake Superior, common.......	$40,000,000	....	..	35¼	Sept. 1912	5	April, 1915	23
5% 1st Mort., 40-yr. bonds..	5,294,000	June 1, 1919	5	..	....	..	....	..
5% Income bonds	3,000,000	Oct. 1, 1918	5	80	Aug., 1912	20½	Jan., 1916	..
Algoma Steel, com.	15,000,000	....	..	..	Held by Lake Superior Corporation			..
7% Cum. pref.	10,000,000	....	..	..	Held by Lake Superior Corporation			..
5% 50-yr. 1st Mort. bonds..	15,691,900	Oct. 1, 1919	5	..	....	..	....	..
Can. Foundries & Forg., com.	960,000	Aug. 15, 1919	12	243	Dec., 1915	65	Oct., 1915	185
7% Cum. pref.	960,000	Aug. 15, 1919	7	92	Oct., 1919	76	Dec., 1917	92
6% 1st Mort. 30-yr. bonds..	179,200	Aug. 2, 1919	6	..	....	..	....	..
Can. Car & Foundry, com.....	4,975,000	June 30, 1914	4	120	Aug., 1915	18	Oct., 1917	50¼
7% Cum. pref.	7,500,000	Oct. 10, 1919	7+1¾	126	Aug., 1915	49½	Nov., 1917	98
6% 1st Mort. bonds	5,222,593	June 1, 1919	6	107½	Feb., 1912	96¾	Oct., 1916	..
Can. Steel Foundries, com. ..	3,000,000	....	..	..	....	..	....	..
Do., pref.	1,400,000	....	..	..	....	..	....	..
6% 25-yr. bonds	3,076,999	Sept. 1, 1919	6	..	....	..	....	..
Montreal Steel Works, com...	700,000	....	..	..	Held by Canadian Steel Foundries			..
7% Cum. pref.	800,000	....	..	..	Held by Canadian Steel Foundries			..
6% 1st Mort. 30-yr. bonds..	750,000	June 1, 1919	6	..	....	..	....	..
Dom. Steel Corp., com.	37,097,700	Oct. 1, 1919	6	82	Dec., 1916	19⅞	July, 1914	69½
6% Cum. pref.	7,000,000	Sept. 1, 1919	6	99	1912	63½	1915	..
Dom. Iron & Steel, com.	20,800,000	....	..	..	....	..	....	..
7% Cum. pref.	5,000,000	Oct. 1, 1919	7	140	Mar., 1910	36	Nov., 1907	95
5% 1st Mort. bonds	6,379,000	July 1, 1919	5	102	Sept., 1909	64½	Nov., 1907	..
5% Consol. Mort. bonds	7,262,526	Sept. 1,1919	5	101	1913	69⅛	1916	..
Dom. Found. & Steel, com. ...	3,000,000	....	..	283	Nov., 1916	22	Aug., 1915	..
7% Cum. pref.	720,000	Sept. 1, 1919	8	99	Nov., 1916	73	Oct., 1915	..
National Steel Car, com.	2,000,000	....	..	55½	Aug., 1915	5	Jan., 1919	6½
7% Cum. pref.	1,500,000	Jan. 15, 1919	7	103	Aug., 1915	17	Oct., 1917	21
N.S. Steel & Coal, com.	15,000,000	Oct. 15, 1919	5	154½	Nov., 1916	39	June, 1914	86⅞
8% Cum. pref.	1,000,000	Oct. 15, 1919	8	130	May, 1911	70	Jan., 1917	105
5% 50-yr. 1st Mort. bonds ..	5,691,420	July 1, 1919	5	99½	1912	77	1915	..
6% Debenture stock	4,500,000	July 1, 1919	6	..	....	..	....	..
Eastern Car, com.	800,000	....	..	..	Held by Scotia	..	....	..
6% Cum. pref.	750,000	....	..	..	....	..	....	..
6% 1st Mort. 40-yr. bonds ..	955,400	July 1, 1919	6	..	....	..	....	..
Ontario Steel Products, com..	750,000	....	..	45	Nov., 1916	13¾	Sept., 1915	46
7% Cum. pref.	750,000	Aug. 15, 1919	7+1¾	91½	Oct., 1916	72½	Sept., 1915	87¾
6% 1st Mort. 30-yr. bonds..	600,000	July 1, 1919	6	86¾	Oct., 1917	81	Oct., 1916	93
Steel Co. of Canada, com.	11,500,000	Nov. 1, 1919	6	88¼	Dec., 1916	9	Apr., 1915	72¼
7% Cum. pref.	6,496,300	Nov. 1, 1919	7	107	Dec., 1916	69	July, 1914	99½
6% 1st Mort. bonds	8,301,247	July 1, 1919	6	100¾	July, 1912	88	Aug., 1915	96½
Toronto Structural Steel, com.	300,000	....	..	..	....	..	....	..
7% Cum. pref.	300,000	July 1, 1914	7	..	....	..	....	..

THE ROYAL BANK OF CANADA

INCORPORATED 1869

Capital Authorized, $25,000,000
Capital Paid Up, $17,000,000

HEAD OFFICE
MONTREAL

Reserve Funds, $ 17,000,000
Total Assets, $490,000,000

BOARD OF DIRECTORS

SIR HERBERT S. HOLT, President.
E. L. PEASE, Vice-President.

JAMES REDMOND, G. R. CROWE, D. K. ELLIOTT, HON. W. H. THORNE, HUGH PATON, A. J. BROWN, K.C., W. J. SHEPPARD, C. S. WILCOX, A. E DYMENT, C. E. NEILL, SIR MORTIMER B. DAVIS, G. H. DUGGAN, C. C. BLACKADAR, JOHN T. ROSS, R. MacD. PATERSON, W. H. McWILLIAMS, CAPT. WM. ROBINSON, A. McTAVISH CAMPBELL, ROBT. ADAIR

544 BRANCHES IN CANADA AND NEWFOUNDLAND

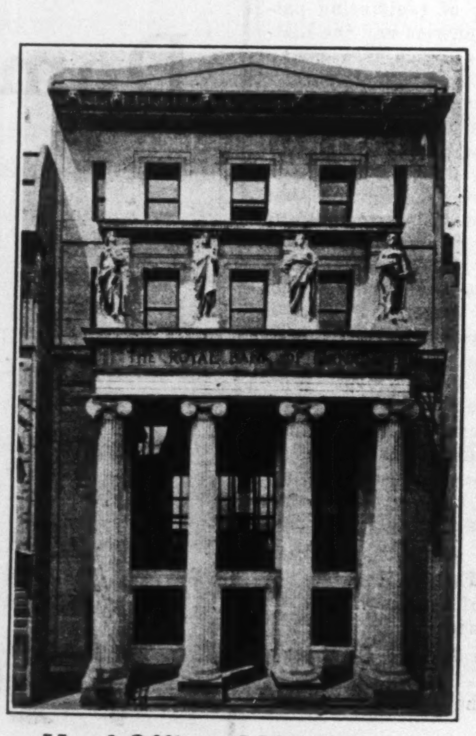
Ontario and Quebec........ 208
Maritime Provinces........ 95
Central Western Provinces........ 184
British Columbia........ 48
Newfoundland........ 9

Also 52 Branches in Cuba, Porto Rico, Dominican Republic, Costa Rica and Venezuela.

BRAZIL, Rio de Janeiro

BARCELONA, Spain, Plaza de Cataluna 6
C. E. Mackenzie, Manager

LONDON, England, Princes Street, E.C.
T. R. Whitley, Manager
J. Mackie, Joint Manager



Head Office: MONTREAL

OFFICERS

E. L. PEASE, Managing Director
C. E. NEILL, General Manager
F. J. SHERMAN, Assistant General Manager
M. W. WILSON, Superintendent of Branches

BRITISH WEST INDIES

ANTIGUA, St. John's
BAHAMAS, Nassau
BARBADOS, Bridgetown and Speightstown
DOMINICA, Roseau
GRENADA, St. George's
JAMAICA, Kingston
MONTSERRAT, Plymouth
NEVIS, Charlestown
ST. KITTS, Basseterre
TOBAGO, Scarborough
TRINIDAD, Port of Spain, San Fernando

BRITISH GUIANA

Georgetown, New Amsterdam, Rose Hall (Corentyne)

BRITISH HONDURAS

Belize

NEW YORK
68 WILLIAM ST.
F. T. Walker, J. A. Beatson, J. D. Leavitt, Agents

PARIS AUXILIARY
The Royal Bank of Canada (France),
28 Rue du Quatre-Septembre

Collections in Canada, Newfoundland, West Indies, Central and South America handled promptly on the most favorable terms. A General Banking Business Transacted.

PRICES—Advance Does Not Stop

Continued from page 33.

prices, while scarcity of goods cannot in this country be alleged as an an important factor. . .

"War finance also brought us still another kind of inflation, the most modern and approved, due not to the increase of money proper but to the increased volume of bank deposits subject to cheque. Banks subscribed to Liberty loans simply by writing deposits on their books to the credit of the government, and individuals lent to the government by borrowing of the banks, the sums so borrowed being likewise created by the banks as deposits on their books.

"All these methods of war finance may be defended on the plea of necessity, but they are inflation none the less, even when gold redemption has been maintained, and they therefore tend to add to the cost of living. As Dr. Millar, of the Federal Reserve Board, has said: 'inflation is no less inflation when gilded with gold.' . . .

"The secret of the high prices then lies not so much in scarcity of goods or profiteering in trade or in the other conditions usually supposed, as in our money and banking conditions. The great cause lies in the fact that the world's war debts have been pulverized into circulating media. This first occurred in Europe, but we in America felt its reflex long before we entered the war. The European inflation sent their gold to us in payment for war supplies. The billion dollars of new gold imported into the United States between August, 1915, and our entry into the war gave our price level its great war-time boost. That billion of gold and our twenty-two billions of Liberty loans after we entered the war explain more than nine-tenths of our high cost of living to-day. This rise of prices has hurt those with 'fixed' incomes and helped those who take what is left—the so-called 'profiteers.' In spite of the general impression to the contrary, wages have not, on the average, kept up with the soaring cost of living. . ."

During the war there was a heavy increase in the money supply from various sources. The great powers where domestic conditions still retained at least nominal stability put forth repeated Government loans; while in other countries there was a great issue of irredeemable paper currency. This has been given as the cause which made it possible for the abnormal relation between supply and demand to result in continually advancing prices. In this connection, Professor Nicholson, of Edinburgh University, once pointed out how notably this phenomenon worked during times of famine in the East. Although there was great scarcity of food there, there was little, if any, rise in prices, notwithstanding the demand, because the currency could not be increased.

The Committee of the House of Commons which investigated the cost of living in Canada during the last session of Parliament, dealt with the same matter in its report, and its conclusions are interesting. It said:

"While before the war there was a steady rise in the price of commodities, during the war a greater advance in prices occurred, and all indications point to goods remaining for a considerable time, if not permanently, on a higher price level. Scarcity of material and destruction due to war partly caused this rise in price, but even more, the expansion in currency and credit have caused a general money depreciation, and as values or prices are expressed in terms of money which is really a quantity of counters, the doubling of the number of counters and the lessening of the quantity of commodities give a resultant higher price. It must be remembered that the expansion of bank credits has been proportioned to the increase in the prices of production and that the banks were called upon to furnish immensely larger sums to facilitate trade than in the period prior to the war. Huge dealings have been made possible to companies with comparatively small capital by a generous policy of credits on the part of the banks. The accumulation of reserves by the trading corporations of the country is a means of making us less dependent upon foreign borrowings and putting our business on a sounder basis and no proper criticism may be directed to the policy of thus increasing the capital employed in business."

Such declines as there were in prices in most cases never reached the consumer, or at least have not done so as yet. Cottons, for example, fell 30 per cent. in one month. Then producers began to realize that they had made a mistake. Several times it was thought the peak had been reached, but there were always higher peaks ahead, as the mountaineer, with his perspective limited, usually finds. The index number is now fairly steady, and it again looks as though the peak had been reached.

Generally speaking, the farther a country has been from the scene of the conflict the smaller has been the advance. The scarcity of ships and the consequent high cost of ocean freights were notable factors in the high prices of many commodities, and in such places as Australasia, India, South America and South Africa the prices of many commodities were not affected by war demand to the extent experienced closer to the scene of the conflict. The increase in Australia and New Zealand was only about forty per cent., while in Canada and the United States it rose to 100 per cent., and in Great Britain to 115 per cent. On the Continent the rise was even greater.

Will High Level Hold

In nearly all countries the high point in the index numbers was reached during the last months of the war, and in many countries and for the succeeding eight months there were fluctuations up and down instead of the almost invariable advance which had been the case before. There is no reason to expect that a general downward movement will come for some time. Some authorities, such, for example, as Mr. Moreton Frewen, a well-known English parliamentarian and economist, who is at present in Ottawa, believes that the advance in wages and prices will be permanent. He believes that we are only at the beginning of a further devaluation of money. He predicts that the great paper inflation of the world's currency promises to advance values in lands, railroads, and all classes of property. "The currency of the United States is immensely inflated," he says, and there are potentialities of a much greater inflation ahead. It is the same in the case of Great Britain. There we have printed some eight thousand million of the best securities in the world. Our currency in England is a 'check currency.' When this vast mass of new consols settles down and becomes the basis for modern bank credits, the deposits in our banks must needs be of a volume unprecedented and the inflation of our check currency will again double, and perhaps treble prices.

The consensus of opinion appears to be, however, that the price level will be from fifty to one hundred per cent. above the pre-war level. It is pointed out that the higher levels of wages and the existence of large quantities of Government bonds, which make a first-class basis for credit and a large supply of money, tend to keep prices up. Some commodities, such as wheat, wool, copper, steel, carbolic acid, caustic soda, linen, etc., rose much higher than others on the average, owing to temporary increased demand, and they should react to the price levels determined by their cost of production, demand and general market conditions, in relation to other commodities.

Compared With States

The information available indicates that prices in Canada have risen on the average about the same as in the United States. The National Industrial Conference Board of Boston has calculated the increase in the various items in the United States, and the Civil Service Association of Ottawa has done the same thing to a certain extent for Canada. A comparison of the respective figures is interesting.

TABLES ON INCREASES IN PRICES IN CANADA 1913, 1916 and 1919.

RETAIL PRICES—	Year 1913	Year 1916	Sept. 1919
Family Budget:			
Staple foods (29 staples)	$ 7.34	$ 8.79	$14.33
Fuel, etc.	1.91	1.92	3.10
Rent (6-roomed house)	4.83	4.04	5.41
	$14.08	$14.75	$23.84
Index Number: (272 commodities)			
Woollens (5 articles)	132.5	222.5	378.4
Cottons (4 articles)	145.5	163.0	329.2
Boots (3 articles)	163.9	192.4	420.4
Housefurnishings (6 articles) ..	126.2	157.1	350.3

Average Increases in the Cost of Living in the United States Between July, 1914, And the Middle of Each of the Years 1915, 1916, and 1917, and at Specified Dates in 1918 and 1919 as Calculated by the National Industrial Conference Board, Boston, Mass.

Budget Items	Percentage of total expenditure	1915	1916	1917	1918 June	1918 Nov.	1919 Mar.	1919 July
All Items	100.0	.5	8.7	31.7	52.3	65.9	61.3	73
Food	43.1	*	11	46	62	83	75	90
Shelter	17.7	*	1.5	5	15	20	22	28
Clothing	13.2	3	20	43	77	93	81	100
Fuel, heat, light....	5.6	2	5	33	45	55	57	57
Sundries	20.4	*	4	17	50	55	55	63

(Percentages of Increase Above 1914)

*No change.

WHOLESALE PRICES OF RAW MATERIALS

	Iron, Pig Mont. Per ton. $	Steel Bar Mont. Per 100 lbs. $	Copper, Ingots Toronto Per lb. cts.	Lead, Traill Toronto Per lb. cts.	Zinc Spelter Toronto Per lb. cts.	Pine No. 1 cut Toronto Per M. $	Spruce Deals St. John Per M. $	Maple Soft Toronto Per M. $	Wool, Washed (Ont.) Toronto Per lb. cts.	Cotton, Raw N.Y. Per lb. cts.	Hides, Beef Toronto Per lb. cts.	Leather Harness Toronto Per lb. cts.	Rubber, Raw (Para.) N.Y. Per lb. $	Pulp, Wood, (Ground) Mill Per Ton $
1910														
Jan. ..	18.50	1.85	14½	3.60	6.00	44-48	15-17	20.00	23-24	16.10	13	38-39	1.68-1.71	16.00
July ..	18.50	1.90	13¾	3.75	5.75	48-52	14½-15½	20.00	19-20	15.35	10½	38-39	2.25	.....
1911														
Jan. ...	21.00	1.90	13½	3.75	5.60	50-55	15.00	25.00	21-22½	15.00	9½	38-39	1.10-1.11	14-19½
July ...	19.00-19.50	1.95	13¼	3.75	5.85	60-65	14.50	25.00	20-21	14.80	11½	37-39	.92-.93	16-18
1912														
Jan. ...	19.75	1.95	15	4.50	6.75	60-65	13.25	25.00	18-20	9.35	12½	38-39	.97-.98	16-18
July	18.50	1.95	19	5.30	7.20	60-65	14.50	25.00	18-20	11.65	12½	38-39	1.00-1.02	17-18
1913														
Jan.	22.00	2.25	18¼	5.25	6.25	60-65	15.75	25.00	21	13.40	14	40-41	1.00-1.01	14-15
July ...	20.00-21.00	2.25	16¼	5.00	6.25	55-57	16.50	28.00	24-26	12.40	13	39	.81-.82	15-16½
1914														
Jan. ...	19.50-21.00	2.15	16½	6.45	5.00	55-57	15.50	28.00	25½-27½	12.50	13½	39	.60-.61	15-16
July ...	19.00-20.00	2.20	15	5.15	5.25	55-57	15.25	28.00	26½-28½	13.25	14½	39	.57-.58	15-16
1915														
Jan. ...	19.00-19.75	2.10	14½	5.00	6.00	50-52	18.50	25.00	28-31	7.80	15	43-44	.70-.72	16-18
July ...	19.75-20.00	2.10	22	7.50	28.00	50-52	15.50	25.00	36-41	9.60	14	51-53	.53-.54	15.00
1916														
Jan. ...	23.00-24.00	2.55	26	7.50	21.00	50-52	21.00	25.00	40-44	12.50	18½	51-53	.80-.82	16.17
July ...	24.50-2[illegible].50	3.30	28½	9.00	15.00	50-52	19.00	25.00	47-52	12.95	20	55	.59	18-20
1917														
Jan. ...	28.00	4.30	36½	9.50	13.50	50-52	20.50	25.00	42-45	17.45	22	63-68	.70	40-45
July ...	40.00-50.00	5.05	33-34	14.00-15.00	12.50	50-52	20.50	38.00	65-70	27.40	20-21	63-68	.61.615	40-42
1918														
Jan. ...	40.00-50.00	5.05	30-32	8-75-9.00	12.00	53-55	25.00	38.00	65-70	32-60	18	68-70	.49	30-35
Feb. ...	40.00-50.00	5.05	30-32	9.25-9.50	11.00	53-55	25.00	41.00	65-70	31-35	15	68-70	.48-.49	30-35
Mar. ...	40.00-50.00	5.05	30-32	9.25-10.00	11.00	55-57	27.00	41.00	80-85	33.65	12	70-72	.49-.50	30-33
April ...	40.00-50.00	5.05	30-31	8.75-9.25	10.25	57-60	27.00	41.00	80-85	30.50	10½	70-72	.49	29-30
May	40.00-50.00	5.05	29-30	9.25-9.50	10.00	57-60	27.00	41.00	85-90	26.70	16	72-73	.55-.58	29-30
June ...	40.00-50.00	5.05	29-30	9.75-10.00	10.00	58-61	28.00	41.00	83-92	30.40	16	72-73	.59	29-30
July	*	5.05	30-32	10.50-11.50	11.00	65-68	26.00	41.00	83-92	32.95	16	72-73	.59	29-30
Aug. ...	*	5.05	30-32	10.50-11.00	11.00	65-67	26.00	45.00	83-92	33.35	16	72-73	.59	28-30
Sept. ...	*	5.05	30-32	10.50-11.00	11.00	65-57	29.00	45.00	.....	35.10	16	72-73	.59	28-30
Oct. ...	*	5.05	30-32	10.50-11.00	11.00	65-57	29.00	45.00	.....	32.30	16	72-73	.53-.59	30
Nov. ...	*	5.05	30-32	10.50-11.00	11.00	65-57	31.00	45.00	.....	29.90	16	72-73	.57-.59	.....
Dec. ...	*	5.05	30	8.25-9.50	9.50-10.00	65-67	32.00	45.00	.....	29.20	18	72-73	.57-.59	29-30
1919														
Jan. ...	*	....	30	7.00-7.50	9.50	65-67	32.00	45.00	.....	30.05	18	72-73	.54	30-32
Feb. ...	45.00	....	21-22	6.25-6.50	8.50	65-67	34.00	45.00	60-70	26.50	16	72-73	.49	28-31
Mar. ...	45.00	....	18	7.50	8.25-8.50	65-67	35.00	45.00	.....	28.60	16	72-73	.48	27-29
Apr. ...	40.00	3.75	18-20	7.25	8.25-8.50	65-67	35.00	45.00	70-75	28.65	18	72-73	.56	28-29
May ...	40.00	3.75	18	6.50-7.00	8.25-8.50	65-67	35.00	47.00	75-80	29.75	26	72-73	.47-.47½	26-29
June ...	37.50	3.75	18½	6.50-7.00	8.00	65-67	35.00	47.00	65-70	32.75	30	72-73	.47½	.....
July ...	37.50	3.75	24½	6.75-7.00	9.50	65-67	35.00	47.00	65-75	36.10	36	89-90	.47½	28-30
Aug. ...	37.50	3.75	27	7.00-8.00	10.00-10.50	65-68	36.00	52.00	65-75	31.50	40	1.00-1.01	.47½	29-31
Sept. ...	37.50	3.75	27	7.00	10.00	68-70	36.00	52.00	65-75	29.55	40	1.00-1.01	.48-.48½	30-32
Oct. ...	*	3.75	27	6.75	9.25	68-70	.....	52.00	65-75	33.90	35	1.00-1.01	.48-.48½	33-35

*Nominal.

BRITISH AMERICA ASSURANCE CO.

INCORPORATED A.D. 1833

HEAD OFFICE - - TORONTO

(Fire, Marine, Hail and Automobile)

Assets - - - - over $4,000,000.00

Losses Paid since Organization " $45,000,000.00

W. B. MEIKLE, President and General Manager

JOHN SIME, Assistant General Manager

E. F. GARROW, Secretary

THE DOMINION BANK

Established 1871

Capital Paid Up - $6,000,000

Reserve Fund - $7,000,000

This Bank has recently formed an affiliation with the British Overseas Bank, Limited, of London, England, which comprises a group of British and Colonial Banks having combined assets of over $900,000,000. The British Overseas Bank, Limited, will establish Branches throughout the world.

This connection affords THE DOMINION BANK the best of facilities for the handling of foreign business of every description.

Importers' and Exporters' accounts solicited.

New York Agency---51 Broadway

London, England, Branch---73 Cornhill, E.C.

Head Office---Toronto

SIR EDMUND B. OSLER, President

A. W. AUSTIN, SIR AUGUSTUS M. NANTON, Vice-Presidents

CLARENCE A. BOGERT, General Manager

A Canadian Plant; Its Product; Its Prosperity

THE CANADIAN LOCOMOTIVE COMPANY, LIMITED

View of the Company's Plant at Kingston, Ontario

DIRECTORS

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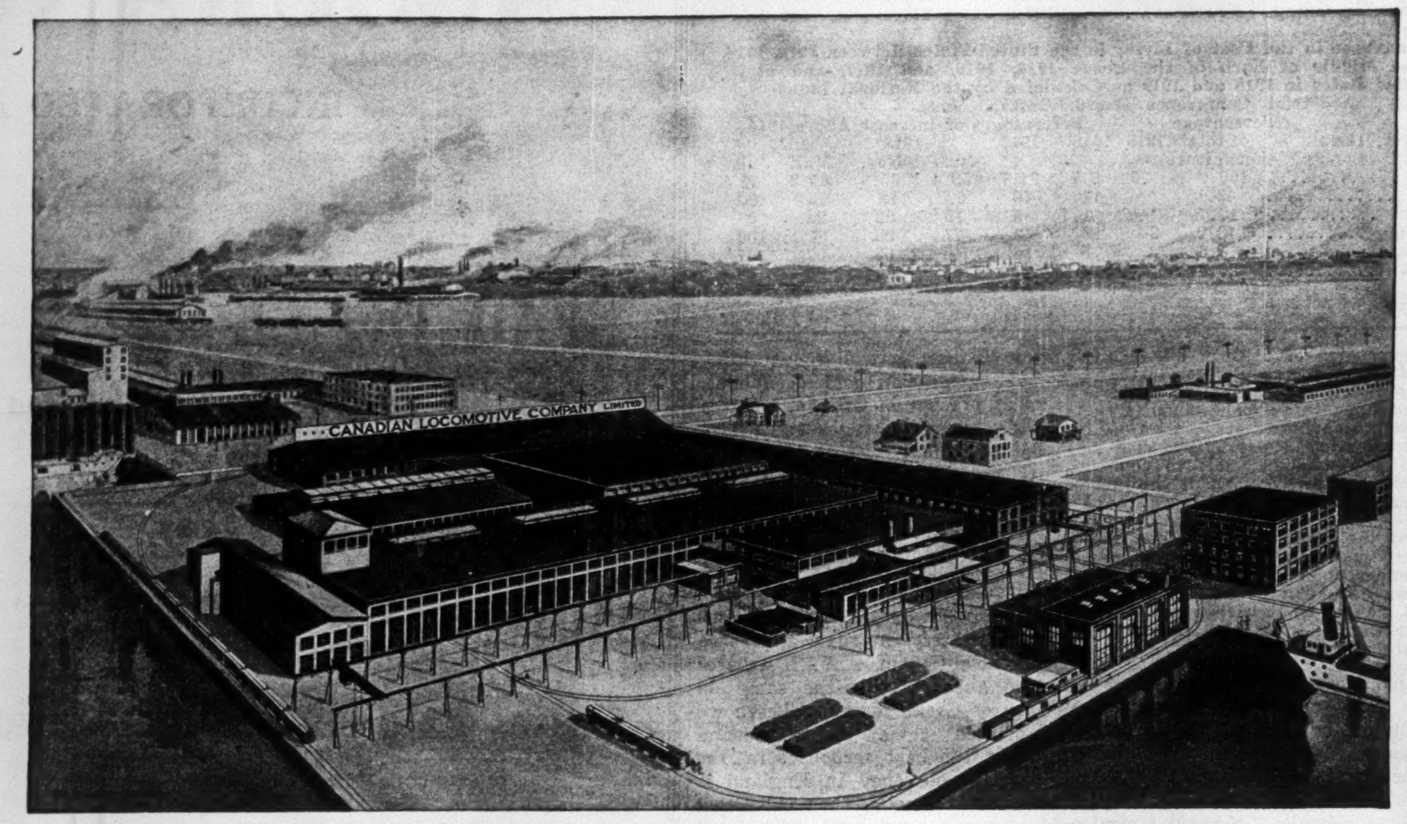
Robert Hobson, Esq.
Warren Y. Soper, Esq.
John L. Whiting, Esq., K.C.
James Carruthers, Esq.
M. J. Haney, Esq., C.E.
F. G. Wallace, Esq.

EXECUTIVE OFFICERS

F. G. Wallace (President)
John L. Whiting (Vice President)
Æmilius Jarvis (Chairman of Board)
Wm. Casey (General Manager)
J. H. Birkett (Secretary-Treasurer)



PROFITS SINCE 1912

1912	$326,380.43
1913	396,886.02
1914	342,057.25
1915	134,613.89
1916	574,211.78
1917	721,254.90
1918	677,937.02
1919	892,976.33
	$4,066,317.62

Average net earnings in the period of eight years, $508,289.70 per annum.

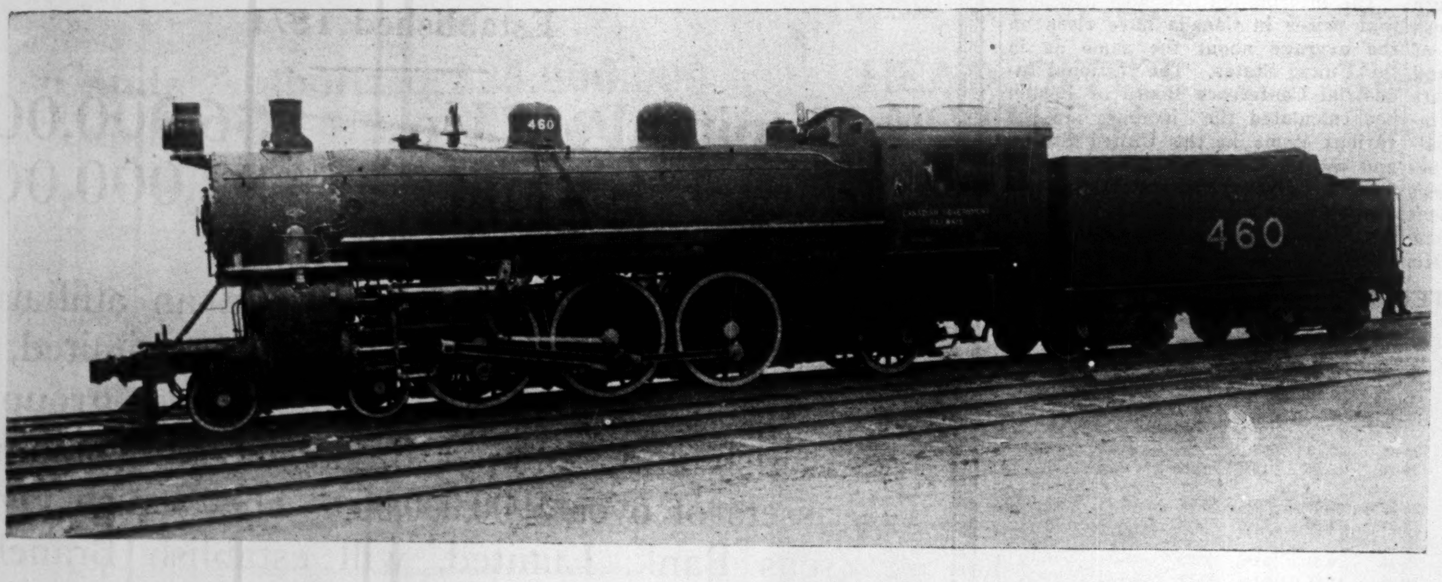
AN industrial unit, complete, efficient, prosperous, and of immense constructive potentiality is found in the Canadian Locomotive Company's plant at Kingston, Ontario. The picture of the plant shown above gives a good idea of its extent. The figures above quoted give a good idea of its prosperity. The names of the directors and executive give guarantee of sound, businesslike management. The company is Canadian from the ground up, and is to-day doing important work in the reconstruction of Canadian industry after the war.

Below are given illustrations of locomotive engines which are the company's principal product. The first one illustrated represents the latest type of Mikado locomotive constructed for the Canadian Government Railways. Since 1916 the Canadian Locomotive Company have been building immense engines of this type for the Government, their product having been tested under the most trying conditions of the service, and proved to be beyond doubt the right type of locomotive for their work. They have been adopted by the Government as the Standard for all general purposes of the National Railways.

Rapidity as well as excellence of construction are features of the service rendered in locomotive building by the Canadian Locomotive Company. Though the first order for these large Mikado engines was received late in 1916, the company was able to begin delivery early in 1917, and by the 1st of May, 1917, had handed over no fewer than fifty (50) complete locomotives in efficient order. Just as soon as these engines had been tested out the Government placed an order for another fifty to be exactly the same in construction. Between November, 1917, and May, 1918, the second consignment of fifty locomotives was completed, and a further order was immediately received for sixty more. These also have been delivered.

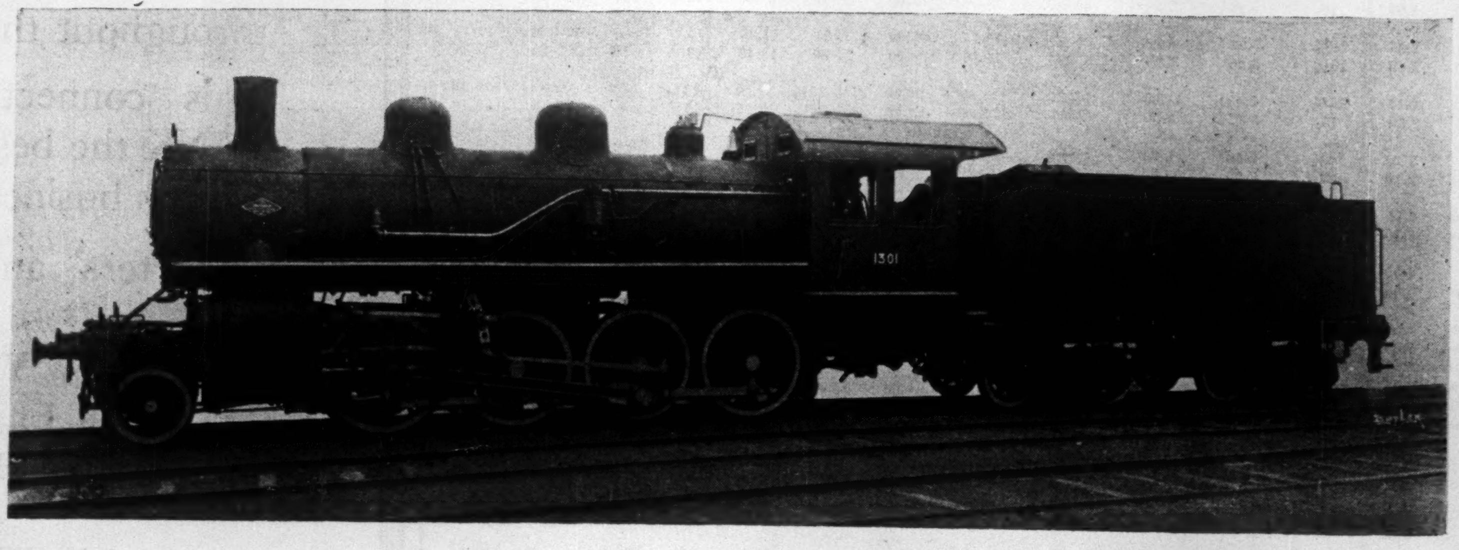
Each of these Mikado engines weighs in working order about 140 tons, and the tender weighs loaded about 84 tons. The cylinders are 27 inches in diameter and 30 inches stroke. Driving wheels are 5 ft. 3 in. in diameter. Boiler pressure is 180 lbs. per sq. inch and tractive power 53,000 lbs. These engines can haul on level track 8,800 tons. The tender carries 9,000 gallons of water and 12 tons of coal. The engines are fully equipped with the very latest labor-saving and efficiency devices, such as Westinghouse American Air Brakes, Electric Headlights and Signal Lamps, Vestibule Cab, Radial Trailing Truck, Commonwealth Steel Cradles, Piston Valve Cylinders, Power Reverse Gear, Walschaert Valve Gear, Automatic Fire Doors and Grate Shakers, all arranged to lighten the burden of the engine crews and promote safety, speed and efficiency of service.

During the war, with its tremendous need of transportation means, the Canadian Locomotive Company sent overseas splendid locomotives of the type illustrated in the lowermost picture. These were built to the order of the Imperial Munitions Board for service in France and performed their work creditably for the Canadian industry concerned with their production. The company can turn out 150 complete locomotives per year and with the requirements of Canada's and other countries' railroads as they are after the war, looks forward to a period of capacity production.



The Product

Latest type of Mikado Locomotive built by the firm for the Canadian Government Railways.



The Product

Type of locomotive built by the firm to order of the Imperial Munitions Board for service in France.

Canadian Locomotive Company, Limited

Kingston, Ontario, Canada

LABOR—Modern Ideas of Treating Employees

How Some of the Big Industrial Concerns Meet Their Men—Ideas Which Have Been Worked Out by Goodyear Tire Company and Massey-Harris Company, Toronto

By W. C. A. MOFFATT.

MANY and varied are the methods used and the schemes now being experimented with by the larger industrial concerns in an effort to better the living conditions of their employees and make latter more contented. Two companies which have instituted an ambitious policy taking in a wide range of benefits are the Massey-Harris and the Goodyear Rubber. Out in New Toronto the big Canadian plant of the Goodyear Company is situated and, while welfare work out there is still almost in its infancy, a good many of the schemes in use in the parent plant below the border are being tried out. At the present time one of the most important features of the work here is that which enables any employee to place real or fancied grievances before those higher up. For instance, if a man feels that he has a grievance or that he has been passed over when promotions were made, he can have his case taken up and if the matter should go higher than the foremen of departments, the superintendent may be called upon to give a decision in the matter. This alone, it has been discovered, tends to keep the workers in a contented frame of mind by making them feel that there is always a higher tribunal to which they can appeal if by any chance they have been imposed upon or have not been accorded fair treatment.

Assistance is rendered the employee desirous of becoming a home-owner and special deputies see to it that suitable accommodation is found for new employees. Entertainment, such as dances, concerts and athletic events, are arranged periodically, and it is the intention of the company that the employee should be made to feel that an interest is taken in him even when he is not at his post.

Worker's Life Insured

But it is in the workings of its relief association that the company is particularly interested. For $6 a year—a dollar and a half every quarter—an employee may take out membership in this association and in return for this he is entitled to a sick benefit of $6 a week. For this six dollars a year, too, he is given a free insurance policy of $1,000, this latter being one of the inducements held out to get him to take out membership in the association. Below the border the policy is so drawn up that at the end of every five years of employment the man is entitled to additional insurance for $500. And at the present time there are Goodyear employees in the United States whose lives are insured gratuitously for as high as $3,000.

In the Massey-Harris Company the gap between office and shop is bridged in great part by the Industrial Council and the selling of stock at very advantageous terms to men in the works. All the ideas embodied in the Massey-Harris scheme were not originated by Massey-Harris men, a fact which is freely admitted, but wherever the company found a good idea it at once took steps to annex it.

In the belief that the men in the shops are entitled to a greater share in the profits of industry and that the men should feel a greater responsibility for the carrying on of the work, the management has inaugurated plans to cover these matters. Shop representatives are invited to suggest improvements in working conditions, this applying to grievances or sanitary or other conditions. The bringing about of a feeling of mutual satisfaction is the ultimate objective of the Industrial Council and an honest effort to attain this is now being made.

For some time past large blocks of stock in the business have been sold on very advantageous terms, and it is hoped that there will soon be more than a thousand shareholders instead of 400, as there at the present time, these including branch managers, sales staff, heads of departments, mechanics and office staff. The company feels that a large percentage of its employees could buy a moderate number of shares and pay for them on extended terms of credit, and in order to provide an investment for those who have some money saved, and to promote thrift among others the directors have been authorized to set aside $500,000 par value of the company treasury stock for sale to employees who have been in the company's employ for two years or more and who are not receiving, in wages or salary, more than $2,000 annually. Arrangements regarding terms of payment were made so that such payments would earn interest at the rate of 6 per cent. per annum from the day the money should be paid in.

With employees and management equally represented, the Industrial Council considers questions of policy relating to wages, hours, employment and working conditions, works, practice and rules, safety and prevention of accidents, sanitation and health, and other similar matters of mutual interest. There is one employee representative on the council to every 150 to 200 employees, and in no case are there less than three employee representatives, women also being eligible for representation. Foremen, assistant foremen and other persons have the power of employment or discharge are barred from nomination and also from voting, the nominations and elections being by secret ballot and held semi-annually. Meeting places for the council and its sub-committees are provided by the company and employees' representatives on the council receive their regular pay from the company during such absence from work as this service actually requires.

Any employee may be called before the council to give information regarding any matter under consideration, and the council or any sub-committee appointed by it for that purpose may go in a body to any part of the works to make investigations. In the case of a tie vote and other methods failing in arriving at a solution of any question the president may propose a settlement or refer the matter directly to the general council, every 500 employees having representation on this body and the managment representatives being appointed by the president and not exceedingly the number of employee representatives. Reasonable travelling expenses, including hotel bills, of representatives serving on a general council, in the formation of which other works of the company or affiliated companies are included, are paid by the company. Arbitration is resorted to if the general council is unable to reach an agreement.

Independence of Action

Every representative serving on any council or general council is free to discharge his duties in an independent manner without fear that his individual relations with the company may be affected by an action taken by him in good faith in his representative capacity. To ensure to each representative his right to such independent action he is given the right to appeal directly to the president, the council or the general council, for relief from any alleged discrimination against him, and if he is not satisfied with decision then he may have the matter settled by an arbitrator selected by mutual agreement. The right of employees to membership in any labor or other lawful organization is not affected in any way.

In the Massey-Harris Cafeteria a good dinner may be secured for 25 or 30 cents, a sixty-five-cent meal at the works being better than that which is to be secured at a down-town restaurant at $1.65. Between seven and eight hundred employees can be served at the one time, the service is speedy and the food good, and everything is clean, bright and attractive. Canaries in cages are to be seen at a couple of dozen points, and after 12.25—not before—the men may indulge in smoking to their hearts' content. Smoking materials and confections may be secured in the room, no money being made on these sale as the idea is just to "break even." Although the chairs are all of the type used in down-town restaurants of the cafeteria plan, there are a few tables and these are used for card-playing when the dishes have been cleared away.

Throughout the entire plant are evidences on every hand of a desire on the part of the company to make working conditions as pleasant as possible for all hands; cleanliness being one of the virtues in which great stock is taken.

Harvard University has established a department of foreign trade, and Prof. George Byron Roorbach has been selected to fill the new chair. Prof. Roorbach graduated from Colgate in 1903 and since 1909 has been with the University of Pennsylvania as professor of commercial geography.

SHIPBUILDING--a War Venture Now on a Sound Peace Basis

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630,880, and on the Great Lakes, 326,746. Canada had on the lakes 34 steamers of 69,795 gross tons, and on the two coasts 27 steamers of 99,140 gross tons. On June 30 the figures were, for the world, 8,017,767 tons. Of this total, Great Britain had, steam and sail, 2,524,050 gross tons, representing 782 vessels (sail only totalled 30,000 tons). The United States had under construction exclusive of the lakes, 2,838,696, and on the lakes, 326,746 gross tons. The number of vessels was 680. Besides this, the U. S. had 187 wooden vessels of 420,960 gross tons building. Canada had on the lakes, 27 steel steamers of 63,493 tons, and on the coast, 28 vessels of 100,000 tons, while her wooden construction amounted to 70 vessels of 81,050 gross tons. The percentage of the different countries gives on June 30, 45 per cent. for the United States, 31½ per cent. for Great Britain, and about 3½ per cent. for Canada. The remainder is divided among the rest of the world, exclusive of the Central Powers, for which no figures are available. The remaining British Dominions total about 88,000 tons, while of the rest of the world only five have a total of over 100,000 tons. Canada's showing, on a population basis, is certainly a creditable one.

Marine Equipment

In connection with the shipbuilding business, the manufacture of marine auxiliaries is an important item. Canadian manufacturers have turned to this end of the business with such good effect that they have actually been able to export such articles as steam winches, steering gears, ships' ports, accommodation ladders, in competition with U. S. and British makers. One firm, specializing in marine machinery, is producing marine feed pumps, lighting sets, etc., which are pronounced by Lloyds' surveyors to be the equal of the best British makers.

The Canadian Government has placed orders for altogether, 53 steamers in Canada. These range from 3,400 to 10,500 d.w. tons. About 25 of these have been delivered, and the remainder will be put in service during 1920. Canadian builders are not folding their arms on this achievement. They are going out into the world's markets for more orders. There are ships being built for private owners in Greece, France, and the Scandinavian countries. Remember, it is unimportant to a ship owner whether his vessel is built in his own country or on the other side of the world, providing she is built to the classification required. There are no problems of delivery. The ship can procure a cargo in the country she is built in, and make her voyage of delivery a voyage of profit. Now that cost of building is on a par with most other countries, Canada should get her share of the foreign business that is going.

Canadian Shipyards

Of course, some yards are more advantageously situated than others. The Atlantic Coast yards are most favorably placed, not being restricted to size, and having open water all the year round. The St. Lawrence yards are not in a bad position, as they can launch all through the winter without any trouble, and have also no restrictions as to size. The Great Lakes yards can build the peculiar Great Lake freighter, and can build the smaller sizes of ocean-going vessels. The Pacific Coast yards are the doubtful feature. Their costs are inevitably higher than the others, and they seem to have more difficulty with labor. However, they are progressive people out there, and are developing a scheme of co-operative building which may solve the problem.

A notable feature of Canadian enterprise is the attention being given to the building of dry docks on the Atlantic and Pacific Coast. These are of the floating and stationary types. In the past millions of dollars have been given to the United States for repair work that could not be done here for lack of a suitable dock. This money will in future stay in Canada. The repair business is just as profitable in the marine field as any other, and is going to be closely looked after.

Notwithstanding the wails of the pessimists, the immediate prospects for profitable shipyard business in Canada looks better now than it did twelve months ago. With the immigration that is bound to come, and British competition practically removed for the next two years, the success of the business lies in the capable hands of those directing it. Canada may look forward with confidence to their endeavors.

Let's Finish Up The Job

The War is over and won. The fighting, as far as Canada is concerned, is finished. All that remains for us is to close up the books, and close them in a manner fitting our national dignity.

To do this we must bring our victorious fighting men home and see that they and theirs are properly looked after. To bring the men home, fit them for civil life, attend to their pensions and help the families of those who fell, will take at least $200,000,000.

This money it is the privilege of their fellow-citizens to put up, at good interest, with the best security that could possibly exist. To buy Victory Bonds is to help finish the War-job, to help maintain Canada's dignity, to help liquidate the debt we owe our fighting men, and incidentally to make one of the safest and most profitable investments ever open to the public.

The Sun Life Assurance Company of Canada

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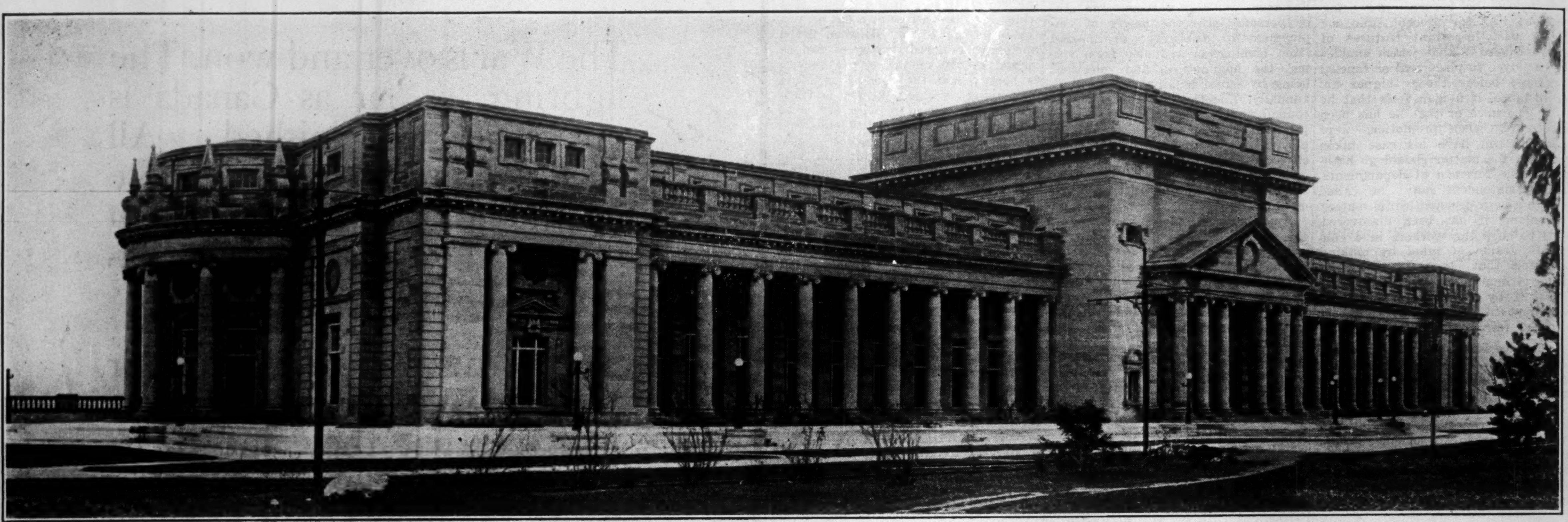

Niagara Generating Station from which Electric Current is Delivered to The Toronto & Niagara Power Company for Distribution Direct to Customers

MAP SHOWING RIGHT OF WAY AND DOUBLE TRANSMISSION LINE OF TORONTO AND NIAGARA POWER COMPANY NIAGARA FALLS TO TORONTO

Transmission lines and distribution to customers in Toronto, Niagara Falls, Thorold, Welland and other points.

Manufacturing Sites Available.